



# Illinois Mortgage Lending Guide



Tips and resources for consumers in the market for sustainable home loans and homeowners trapped in unaffordable loans.



## ILLINOIS ATTORNEY GENERAL Lisa Madigan

Obtaining a mortgage is likely one of the most significant financial decisions you will make in your lifetime. Asking the right questions before you choose a loan can mean the difference between obtaining a loan you can afford and losing your home to foreclosure.

If you are thinking about getting a mortgage loan, I urge you to take the time to learn about your options so you can make an informed decision. If you need help, you should contact a local HUD-approved housing counseling agency. The counselors offer a variety of services free of charge to eligible borrowers who are shopping for a first mortgage or a home improvement loan, are behind in their mortgage payments, or wish to refinance an excessively high-cost loan.

This Guide contains a list of HUD-approved housing counseling agencies in your area. Also, if you're in the market for a mortgage, you'll find in these pages a number of tips to help you avoid falling prey to predatory lenders. If you're behind in your mortgage payments, this Guide offers steps you should take to prevent foreclosure and avoid becoming a victim of foreclosure rescue scams.

To obtain more information about predatory lending or to file a consumer complaint against a predatory lender, contact the Illinois Attorney General's Office.

Lisa Madigan  
Attorney General

### Homeowner Helpline

1-866-544-7151

### Consumer Fraud Hotlines

#### Chicago

1-800-386-5438  
TTY: 1-800-964-3013

#### Springfield

1-800-243-0618  
TTY: 1-877-844-5461

#### Carbondale

1-800-243-0607  
TTY: 1-877-675-9339

[www.IllinoisAttorneyGeneral.gov](http://www.IllinoisAttorneyGeneral.gov)

## **Tips for Avoiding a Predatory Mortgage Loan**

### **What is predatory mortgage lending?**

A predatory mortgage is a needlessly expensive home loan that provides no financial benefit to the borrower in return for the extra costs. In many cases, homeowners are deceived about the loan's true costs and terms or are pressured into signing loans they cannot afford. Many of these homeowners lose their homes to foreclosure.

If you're in the market for a home loan, here are some questions you should ask and common predatory lending practices of which you should be aware. Because the information in this Guide is by no means complete, you should always have an attorney review all loan documents before you sign them. If you cannot afford an attorney, you should bring all of your loan documents to a HUD-certified housing counseling agency for review. To find a housing counseling agency in your area, see the list of agencies at the back of this Guide.

### **What is the mortgage loan amount?**

The mortgage loan amount is the amount of money you are borrowing. When buying a home, this amount is usually the price of the home plus any fees and minus your down payment. If you are refinancing, the amount of your refinance loan should be the payoff of your current mortgage plus any fees. A refinance loan could also include any other debt you are paying off with your home loan or cash you receive at closing. You should be cautious when deciding whether to pay off other debt, such as credit card debt, with the proceeds of a mortgage loan. Doing so will increase your monthly payment and might mean foreclosure if you are not able to make that payment.

### **What is the full term of the mortgage loan?**

Loan terms are generally 15, 20, 30, or 40 years. The longer the term, the more you will pay in interest over the full term of the loan. Some loans are structured so that you do not completely pay them off during the term of the loan. With this type of loan, you are obligated to pay off the remaining balance, or balloon payment, at the end of the loan term. Beware of mortgages containing balloon payments! If you do not have the funds or the ability to refinance the balloon payment, you could lose your property to foreclosure.

### **How much will my total monthly mortgage payment be? How is this payment divided between interest and principal for the term of the loan?**

You need to know your total monthly payment amount to decide whether you can afford a particular loan. Just because a lender says you qualify for a certain loan amount does not mean that loan will be affordable. Some loan products offer "teaser rates"—low interest rates for a short period that later increase, resulting in significantly higher monthly payments. Other loans allow borrowers to choose among several monthly payment options during the loan term, but some of these payment amounts may be too small to cover the

interest or to pay down the amount owed on the loan. This means that, over time, you will actually owe more money to the lender than you owed at the start, even after making payments every month.

### **Do the monthly mortgage payments include property taxes and property insurance?**

When the lender tells you the “monthly principal and interest” payment, it does not include the amount you need to pay every month for property taxes and insurance. All mortgage loans contain a requirement that the borrower pay property taxes and insurance. If the monthly payment that your lender quotes does not include a portion for property taxes and insurance, you need to add in those costs to determine your total monthly housing payment. Beware: Unscrupulous brokers or lenders will quote a low monthly payment and fail to include the cost of property taxes and insurance when describing what the monthly payment will be.

### **Is the interest rate on the loan "fixed" or "adjustable"?**

The rate can be a “fixed rate,” meaning that it remains the same throughout the entire term of the loan. There are also variable or adjustable rate mortgage (ARM) loans where the interest rate can change during the loan term. Often, an ARM offers a lower interest rate at the beginning of the loan term, which results in a lower monthly payment. However, the interest rate will almost always increase, and you will then have a higher monthly payment that you may not be able to afford.

### **What are the closing costs of the loan and to whom are they paid?**

Closing costs may be difficult to spot because often they are paid from the loan that you are getting and not out of your pocket—but you are still paying them! Make sure you understand what each fee is and to whom the money is being paid. Ask for a “Good Faith Estimate” of your loan’s closing costs—your lender is required by law to give you one within three days of taking your loan application. Ask if they’ll guarantee it in writing and whether the extra fees are negotiable.

### **How much money is the mortgage broker being paid in connection with my loan?**

Mortgage brokers are paid for helping a borrower obtain a loan from a lender. A reasonable compensation for this service is 2% of the loan amount (e.g., \$2,000 on a \$100,000 loan). The mortgage broker may also get a “yield spread premium” from the lender. This is a bonus the broker receives from the lender when the broker places you in a mortgage at a higher interest rate than you deserve. When this happens, the mortgage broker is being paid twice: the borrower pays a loan origination fee, and the lender pays a yield spread premium. You should be sure that your broker is not collecting excessive fees from your loan transaction.

### **Does the loan contain a prepayment penalty?**

A prepayment penalty is a fee you will be charged if you pay off your loan early. Often, a lender charges a prepayment penalty in exchange for offering you a lower interest rate. If your loan has a prepayment penalty, you should ask your lender what the difference would be in the interest rate you would receive on the loan with and without a prepayment penalty. You want to make sure that you are receiving a benefit in exchange for the prepayment penalty.

## **Predatory Lending Red Flags**

### **Excessive Fees**

Look out for excessive and/or unnecessary fees. Loan fees should be no more than 3% of the loan amount, (e.g., \$3,000 on a loan of \$100,000). Fees over 5% of the loan amount are excessive. Ask your broker or lender to show you an itemization of the loan amount with all fees explained.

### **Excessive Mortgage Broker Compensation (Yield Spread Premiums)**

If you are dealing with a mortgage broker, find out how the broker will be paid. Sometimes brokers receive extra compensation from lenders called the “yield spread premium.” This is extra pay the mortgage broker collects from the lender for signing the borrower to a loan with a higher interest rate than the borrower deserves.

### **Excessive Prepayment Penalties**

Find out whether your mortgage includes a prepayment penalty. If it does, find out how much it is and how long it will be in place. You want to give yourself the option to refinance for better loan terms or pay your loan early without having to pay an excessive fee.

### **Equity Stripping**

Look out if a lender bases the decision to give you a mortgage on the equity you have in your home instead of your income. A predatory lender may lend you more than you can pay every month and wait for you to default on your loan. The predatory lender can then foreclose on your house and strip you of your equity!

### **Loan Flipping**

Look out if you have been making your payments and a broker or lender encourages you to refinance for any reason. Each time the loan is refinanced, the lender charges fees that increase the amount you owe.

### **Misstated Income**

Look out if the broker or lender changes any of the income information you provided. The lender may suggest that you could qualify for a higher loan amount by including income on your loan application that doesn't exist, or by inflating your income on the loan application. This practice is problematic because it qualifies you for a loan your income may not support.

# Struggling to Make Your Mortgage Payments? Here's What to Do

The possibility of losing your home because you can't make the mortgage payments can be terrifying. Perhaps you are one of many homeowners who took out a mortgage that had a fixed rate for the first two or three years and then changed to an adjustable rate. Maybe you're anticipating an adjustment, and want to know what your payments will be and whether you'll be able to make them. Or maybe you're having trouble making ends meet because of an unrelated financial crisis.

Regardless of the reason for your anxiety, you need to know how to save your home and how to recognize and avoid mortgage foreclosure scams.

## Make the Call to your mortgage lender, and follow this 3-step process to help save your home

In the fight to save your home, it is important to get organized. The following 3-step process will help you gather the information you need and formulate a plan to preserve your home:

### 1. Gather Information

#### 1. GATHER INFORMATION

Start by gathering some basic information. This important first step can help you gain a clear view of your current situation and enable you to successfully present your case to your mortgage lender.

#### General Information

- Current mortgage payment.
- Property taxes and homeowners insurance.
- Date of last payment (and the month for which the payment was applied).
- How many months are you behind?
- Have you received court papers?
- Terms of your loan – interest rate and structure (e.g., fixed, adjustable, balloon).
- If it is an adjustable rate mortgage (ARM), has the mortgage interest rate reset? If not, when will the reset occur?

#### Create a Budget

List all the sources of your household income:

- Employment. Consider the following:
  - o Length of employment
  - o Consistency of the income (i.e., self-employed, commissions, overtime)
  - o Gross vs. net income
- Government benefits.
- Child support. You will need to provide a court order and proof of payment.

### 2. Develop a Plan

#### Verify Expenses

It is common to misstate actual monthly expenses. It is important that you verify as much as possible through your bank statements. Be sure to consider the following:

- Food (including dining out)
- Utilities
- Clothing
- Insurance
- Medical expenses (prescriptions, deductibles)
- Transportation costs
- Toiletries/cleaning supplies
- Pet expenses
- Charitable contributions
- Spending money
- Other expenses (e.g., student loans, alarm systems, child care)

#### Review Your Budget

- Is your income information verifiable?
- Are your expenses reasonable?
- Is there a large gap between your income and expenses?
- Is your hardship due to a lifestyle issue or a temporary crisis?

#### Supporting Documentation

- Recent mortgage statement(s)
- Two most recent months' pay stubs for every contributing household member

### **Supporting Documentation, Cont.**

- Two most recent months' bank statements
- Last two years' W-2s and tax returns
- Current utility bills

### **Hardship Letter**

Write clearly and succinctly, answering the following questions:

- What is your reason for default?
- Have you suffered a temporary or permanent loss of income?
- How long have you been in the home?
- Who resides in the home with you? Do you want to remain in the home?
  - o If not, is the home listed? Is there a pending offer? Will the offer cover the outstanding mortgage balance or will a short payoff be needed?
- What was your payment history before this crisis?
- What steps have you taken to prioritize your mortgage payments?
- Do you have money saved to offer as part of a repayment agreement?

### **2. DEVELOP A PLAN**

Start by deciding how you would like to resolve this crisis. What solution would best suit your situation?

#### **Your Options**

- Repayment plan
- Forbearance
- **Modification**
- Partial claim or advance claim (FHA loans)
- Refinance (difficult in current market)
- **Short sale**
- **Deed in lieu of foreclosure**

#### **Modification**

- A modification is a written agreement to change your loan terms or conditions. Generally, this option adds delinquent amounts to the loan balance and re-calculates the loan payments based on the increased balance.
- Your loan may be modified by reducing or freezing your interest rate on a temporary or permanent basis.
- Modification may also include principal reduction.
- Consider long term affordability (e.g., beyond 5 years).

#### **Short Sale**

- You find a purchaser for your home. The offered purchase price is less than what you owe on the mortgage.
- The lender agrees to accept the lesser amount.
- Short sales may have income tax consequences, so consult with an attorney or financial advisor.

#### **Deed in Lieu of Foreclosure**

- Voluntary surrender of property to lender.
- Lender will usually require you to list the property for sale before exercising this option.
- Typically has a negative effect on your credit similar to foreclosure, so consult with an attorney or financial advisor.

### **3. PRESENT THE PLAN**

When presenting your plan, have all the facts. Carefully consider any plans presented by the lender before agreeing to new terms.

#### **Your Loan Workout Package**

Be sure to include the following:

- Hardship letter – present your reason for default
- Specific proposal with rate and payment terms
- Financial information documents including a realistic budget
- Any additional forms in the servicer's package (i.e., proof of homeowners insurance)

#### **Negotiation**

- Request that the lender stop the foreclosure proceedings during the negotiation process.
- Remain patient.
- Demonstrate the benefits of your plan as a win/win proposition.
- Get all agreements in writing.

#### **Negotiation Factors**

- Do you owe more on your home than it is worth?  
Get comparable home prices for your neighborhood at [www.zillow.com](http://www.zillow.com).
- What are some of your community's characteristics?  
Declining home values? Foreclosure statistics?
- What is the condition of your home? Are repairs needed?
- How long have you lived in your home?

#### **Negotiation Process**

- If the servicer says no to your plan or wants changes, consider the following points carefully:
  - o Does the lender's plan meet your goals?
  - o Is it affordable?
  - o Are there any unexplained fees and/or service charges?
- If the plan does not meet your goals, or you notice unexplained fees or charges, be prepared to make a counter-proposal.
- If you CANNOT meet the terms of the plan proposed by the lender, be prepared to explain why and ask for alternatives.



## IMPORTANT FORECLOSURE PREVENTION TERMS

**Loan Modification:** An agreement to permanently change one or more terms of the original mortgage (e.g., change in interest rate, payment amount, term, or capitalization of arrearages over an extended term).

**Capitalization:** Capitalization occurs when items owed on a loan (like past due interest, past due taxes, late charges, legal costs, and other fees) are added to the loan amount and are treated as part of the new principal balance. Often when past due amounts are "capitalized," the lender "reamortizes" the loan, meaning that the lender recalculates the monthly payment using the existing interest rate and the new principal balance.

**Principal Reduction:** A reduction in the total amount owed on the loan. It can result in income tax liability for the borrower.

**Forbearance:** A plan to cure a default that may involve temporary suspension of payments or repayment plan based on a modified payment amount (with a portion paid towards the past due amount).

**Refinancing:** The process of paying off a loan by borrowing new money either from the existing lender or a new lender.

**Default:** Failing to meet the requirements of an agreement. Most defaults involve failure to make required mortgage payments.

**Deficiency:** The amount a borrower owes to the lender after the sale of the property at a foreclosure sale in the event that the property is sold for less than the amount of the debt owed.

**Pay Option ARM:** A mortgage that allows a number of different payment options each month, including minimal payments. The minimum payment option usually does not cover all of the interest accruing on the loan.

**Negative Amortization:** A debt that is structured such that the monthly payments do not cover the amount of interest due for that period. It results in an increasing loan balance.

**Mortgage Backed Security:** A type of investment backed by pools of mortgage loans, with payments on the underlying mortgages generating the return to investors.

**Pooling and Servicing Agreement (PSAs):** A contract describing the formation of a trust consisting of a group of mortgage loans, the servicing of the loans in the trust, and the workout options that can be applied to loans in the trust by the loan servicer.

**ILLINOIS MORTGAGE FORECLOSURE TIMETABLE**  
**(Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 through 1706)**

<i>January 1, 2010</i>	Borrower misses first payment
<i>February 1 - 28</i>	Borrower misses second payment; lender sends notice informing borrower of default and of possible loss mitigation options (e.g., forbearance agreement)
<i>March 1 - April 30</i>	Borrower misses third payment; lender sends notice of acceleration; informs borrower it intends to foreclose; sends file to attorney to initiate foreclosure
<i>May 1 - 31</i>	Foreclosure attorney reviews file, prepares complaint, etc.
<i>June 1</i>	Complaint filed
<i>June 15</i>	Borrower personally served
<i>July 15</i>	Answer due
<i>August 1</i>	No (or insufficient) answer filed by borrower; motion for default (or summary judgment) filed by lender
<i>August 15</i>	Default (or summary) judgment of foreclosure entered
<i>September 15</i>	Expiration of right to reinstate (i.e., pay arrearage and bring mortgage current) 90 days after borrower is served
<i>January 15, 2011</i>	Expiration of right to redeem (payment of full judgment amount plus post-judgment interest and allowable expenses) 7 months after service or 3 months after judgment, whichever is later
<i>January 16</i>	Judicial sale after notice of sale (running in the newspaper for at least 3 consecutive weeks, between 45 and 7 days prior to the sale)
<i>February 1</i>	Order confirming sale entered; order of possession entered and stayed for 30 days
<i>March 2</i>	Expiration of special right to redeem (if lender bought property for less than judgment amount) 30 days after confirmation
<i>March 3</i>	Order of possession goes to sheriff; borrower can be evicted

## Facing Foreclosure? Beware of the “Rescue” Scam!

If you are a homeowner at risk of losing your home due to foreclosure or unpaid property taxes, you may be a target for businesses seeking to profit from your misfortune. Many of these businesses may try to exploit your emotional vulnerability in order to con you out of the few assets you have left.

Two such businesses carry a high potential for fraud and abuse: mortgage rescue consultants and mortgage rescuers. The following information explains how these schemes work and why they are risky. You also will find an explanation of your rights under the Mortgage Rescue Fraud Act, a law that Attorney General Madigan initiated to protect our homes and neighborhoods from the scourge of mortgage rescue fraud.

### How the Rescue Schemes Work

#### Mortgage Rescue Consultants

For a hefty fee, mortgage rescue consultants promise to "buy you time" and possibly save your home by negotiating deals with your creditors. They may also offer to help you repair your credit and refinance your existing mortgage.

These services may sound like something you really need, but the truth is they all can be performed *better* by a licensed attorney, a reputable non-profit housing counselor, or you.

All too often, mortgage rescue consultants offer homeowners phantom help. They either do nothing they promised to do, or they do the bare minimum, perhaps placing a phone call to the homeowner's bank or mailing the homeowner a list of refinancing sources they found on the Internet. Meanwhile, the homeowner wastes valuable time that could be spent really trying to save the home.

#### Mortgage Rescuers

If you are on the verge of losing your home but have built up equity in the property, you are a prime target for so-called “mortgage rescuers.” Typically, mortgage rescuers will promise to “save your home” by offering you a three-part deal:

- The rescuer (or a third party investor) buys your home from you for a small fraction of its actual value.
- You stay in the home as a renter.
- You get to buy back the home when you're back on your feet financially.

As tempting as this deal may seem, it is a recipe for a rip-off. “Rescued” homeowners often find themselves struggling to make monthly rent payments that are comparable to or even higher than their former mortgage payments. When the homeowners fall behind in rent, the new owners ask a court to evict them. In the worst cases, the homeowners do not even realize they have sold their home until they receive the eviction papers. Even homeowners who keep up with their rent payments are often unable to buy back the home when their lease expires.

Whether they’re evicted or move out voluntarily, homeowners lose both their home and their equity in these schemes. The only people who win are the rescuers and their investors, who end up reaping huge profits on homes for which they paid very little.

### **Consumer Protections Under the Mortgage Rescue Fraud Act**

A “rescue” should not leave homeowners worse off than they would have been without it. The Mortgage Rescue Fraud Act, which went into effect on January 1, 2007, protects homeowners’ hard-earned equity with the following key provisions:

#### **Mortgage Rescue Consultants**

- A consultant cannot accept any payment from the homeowner until all of the services have been performed. (Beware of any consultant who asks for an upfront fee!)
- Mortgage rescue consultants must give homeowners a written contract listing all the services that the consultant promises to perform.
- Homeowners have the right to cancel a consultant contract at any time.

#### **Mortgage Rescuers**

- A mortgage rescuer must provide the homeowner with a written contract that clearly states that the home is being sold.
- Prior to sale, the rescuer must make a determination that the homeowner has the reasonable ability to make rental payments and buy the home back.
- A homeowner who remains in the home under a rental agreement has the right to cancel the rental agreement at any time.
- A mortgage rescuer must pay the homeowner at least 82 percent of the home’s fair market value if the rescue ultimately fails.

## Explore Your Options

Out of fear or shame, homeowners at risk of losing their homes often postpone seeking help. This makes them vulnerable to mortgage rescue scam artists, who typically portray themselves as the only option the homeowner has left. As a general rule, **beware of anyone who calls you or shows up at your door promising to save your home.** Real help doesn't find you; you have to go looking for it.

If you're facing foreclosure, a counselor with a HUD-certified housing counseling agency can assess your situation, answer your questions, go over your options, prioritize your debts, and help you prepare for discussions with your loan servicer. To find an agency in your area, consult the list of housing counseling agencies at the back of this Guide.

If you believe you have been victimized by a mortgage rescue scam, you should contact our Consumer Fraud Hotline immediately at the phone numbers listed on the back cover of this Guide.

## Reverse Mortgages

While reverse mortgages can be an invaluable resource to help older homeowners access the equity in their homes, they are not for everyone. As the popularity of reverse mortgages grows, so does the potential misuse of the product. When selecting a reverse mortgage lender, you should feel comfortable that your lender representative is working for you and that you are getting the best deal possible. Here are a few tips to help you navigate the process:

1. Make sure you are getting independent reverse mortgage counseling from a HUD-certified housing counseling agency that is not connected in any way with your prospective lender. A list of HUD-certified agencies in your state can be found on HUD's Web site at [www.hud.gov](http://www.hud.gov).
2. Make sure you understand all of the loan terms that are presented to you and that your reverse mortgage counselor sufficiently answers all of your questions.
3. Don't feel pressured to make an immediate decision by anyone for any reason other than protecting your home from foreclosure sale or other similar emergency.
4. Don't feel pressured to use the equity in your home to purchase something with the proceeds that you do not necessarily want or may not need (such as home repairs or insurance products).
5. Be wary of lenders who require you to make upfront payments of fees other than for an appraisal and credit report.
6. Be wary of anyone who tries to discourage you from talking to trusted friends or family members or your reverse mortgage counselor about the reverse mortgage loan product, its terms, or what you intend to do with the money.
7. Be wary if you are provided counseling either just before the loan closing or at the closing. In fact, a lender is not supposed to proceed with processing your loan application until you have received reverse mortgage counseling from a counselor at a HUD-certified agency.
8. Be careful of anyone (children, grandchildren, relatives, friends, etc.) trying to pressure you to get a loan so they can use either all or some of the proceeds from the loan. Even if they promise to pay the money back, using a reverse mortgage for this purpose could prevent you from having the means to help yourself later on.

**Resources for Consumers  
in the Chicago Metropolitan Area  
(Cook, DuPage, Kane, Lake, McHenry, and Will Counties)**

**Foreclosure Prevention Funds**

**Neighborhood Housing Services (NHS) of Chicago**

NHS provides foreclosure intervention services and counseling for families who are experiencing temporary financial difficulties and are at risk of losing their home to foreclosure. NHS staff work with homeowners and lenders to assist in keeping the home out of foreclosure. Low-interest, deferred, and/or forgivable loans may be provided to help owners reinstate a delinquent mortgage and stay out of foreclosure. These loans are for income-eligible borrowers and are available only for properties within the City of Chicago. Loan amounts are limited, and other restrictions may apply.

NHS of Chicago also offers affordable mortgage loans for borrowers who have unaffordable mortgages due to rate adjustments, Option-ARM features, or loss/change of income. These loans are fixed-rate 30 year mortgages with flexible underwriting for homeowners whose credit may have been affected by their mortgage delinquency.

For more information about this program, contact NHS at (773) 329-4010.

**Homeless Prevention Program**

Established in 2000 and administered by the Illinois Department of Human Services (DHS), the Homeless Prevention Program provides grants for up to three months of mortgage payments for income-eligible Illinois homeowners who have experienced temporary financial difficulties. The homeowner must document a temporary economic crisis beyond its control and demonstrate an ability to meet its future mortgage obligations after assistance has been granted based on current or anticipated income.

For Chicago residents, the program may be accessed by contacting the City's 3-1-1 referral hotline and asking for "short-term help."

For residents outside Chicago, contact the Illinois Department of Human Services at 1-800-843-6154 or check the DHS Web site at [www.dhs.state.il.us](http://www.dhs.state.il.us).

**Community Economic Development Association's (CEDA) Comprehensive Housing Program**

This program provides counseling and mortgage assistance to low-income homeowners who have experienced temporary financial difficulties and who are delinquent and/or at risk of losing their home to foreclosure. Income-eligible homeowners in suburban Cook County may receive up to six months of mortgage payments or \$6,000 in grant assistance. Homeowners must document a temporary economic crisis and demonstrate an ability to meet future mortgage obligations after assistance has been granted.

For more information, visit CEDA's Web site at [www.cedaorg.net](http://www.cedaorg.net) or contact your local CEDA office (see HUD-Approved Housing Counseling Agencies for contact information).

## Mortgage Products for Underserved Borrowers

### **Neighborhood Housing Services (NHS) of Chicago**

NHS is a state-licensed mortgage lender and offers loans at special financing rates for home purchase or refinance (with or without rehab) for eligible buyers in Chicago neighborhoods.

NHS also offers “gap” loans to assist homebuyers in purchasing a home by eliminating the need for a buyer to qualify and pay for mortgage insurance. First-time homebuyers may combine a gap loan with their down payment, use it to pay closing costs, and use it to purchase and/or rehab an eligible home. Gap loans are second mortgages at the same rate as the primary NHS mortgage, repayable over 15 years. To qualify, the borrower must obtain the first mortgage from NHS’s 23 partner lenders and complete an approved 8-hour homebuyer education curriculum.

For more information about NHS’s loan programs, call (773) 329-4010 or (800) 882-0882.

### **Northwest Side Housing Center Affordability Gap Program**

The Northwest Side Housing Center has developed the Affordability Gap Financing Program in response to the soaring foreclosure rates on the northwest side of Chicago. The program will assist eligible families to refinance their existing mortgages where there is a gap between the amount a person must refinance and the amount they can afford to repay. The program will fill this gap and provide homeowner counseling and financial literacy to enable the borrowers to remain solvent and stay in their homes. The program is available for homeowners in the following ZIP codes: 60618, 60634, 60639, 60641, 60647, and 60651.

For more information, contact the Northwest Side Housing Center at (773) 836-1179.

### **Neighborhood Housing Services (NHS) of the Fox Valley**

NHS of the Fox Valley administers the “first-time” homebuyer program for the City of Elgin, which offers forgivable loans to help income-eligible buyers pay closing costs. Loans for home improvement, home purchase, and refinance are also available. Eligible homeowners can get emergency loans to repair code violations, as well as loans for non-emergency home improvement projects.

For more information, call (847) 695-0399.

## Legal Assistance

**Income-eligible victims of abusive lending practices or those facing foreclosure may be able to find free or low-cost legal assistance through the following services:**

### **Chancery Division Advice Desk**

Daley Center Room 1303

50 W. Washington

Chicago, IL 60601

Phone: 312-603-3042

(Free assistance in filing court papers in a foreclosure and general advice. Does not represent individual defendants in court.)



**Chicago Bar Association  
Lawyer Referral Service**

321 S. Plymouth Ct.  
Chicago, IL 60604  
Phone: 312-554-2001  
[www.chicagobar.org](http://www.chicagobar.org)

**Chicago Volunteer Legal Services Foundation**

100 N. LaSalle St., Suite 900  
Chicago, IL 60602  
Phone: 312-332-1624  
[www.cvlvs.org](http://www.cvlvs.org)  
(Serves the City of Chicago.)

**Illinois Legal Aid Online**

[www.illinoislegalaidonline.org](http://www.illinoislegalaidonline.org)  
(Online legal assistance, including videos explaining the foreclosure process, forms, instructions, and referrals to free and low-cost legal aid offices.)

**John Marshall Fair Housing Legal Clinic**

28 E. Jackson Blvd., Suite 500  
Chicago, IL 60604  
Phone: 312-786-2267  
Fax: 312-786-1047  
E-mail: [6clinic@jmls.edu](mailto:6clinic@jmls.edu)  
[www.jmls.edu/fairhousingcenter/fairhousingclinic.shtml](http://www.jmls.edu/fairhousingcenter/fairhousingclinic.shtml)

**Legal Assistance Foundation of Metropolitan Chicago  
Home Ownership Preservation Project**

Central Intake Office  
111 W. Jackson Blvd., 3rd Floor  
Chicago, IL 60604  
Phone: 312-341-1070  
Spanish-speaking intake at 312-347-8343  
[www.lafchicago.org](http://www.lafchicago.org)  
(Serves Cook County.)

**Prairie State Legal Services Offices:**

**Fox Valley Office**

1024 W. Main St.  
St. Charles, IL 60174  
Phone: 630-232-9415; 800-942-4612  
Fax: 630-232-9402  
(Serves DeKalb, Kendall, and Kane counties.)

**Carol Stream Office**

350 S. Schmale Rd., #150

Carol Stream, IL 60188

Phone: 630-690-2130; 800-690-2130

Fax: 630-690-2279

(Serves DuPage County.)

**Waukegan Office**

325 W. Washington St., #100

Waukegan, IL 60085

Phone: 847-662-6925; 800-942-3940

Fax: 847-662-6986

(Serves Lake and McHenry counties.)

**McHenry County (Satellite)**

400 Russell Ct., Suite 1

Woodstock, IL 60098

Phone: 815-206-5828; 800-942-3940

**Joliet Office**

5 W. Jefferson St., Lower Level

Joliet, IL 60432

Phone: 815-727-5123

Fax: 815-727-5152

## **Homeownership Counseling for Consumers**

### **City of Chicago Homeownership Preservation Initiative (HOPI)**

#### **3-1-1 Referral Program**

Chicago homeowners at risk of losing their homes in foreclosure can access assistance through the City's free, non-emergency 3-1-1 hotline. Launched in early 2004, the program enables Chicago residents to call 3-1-1 and receive immediate foreclosure counseling from credit counselors on the phone 24 hours a day. These counselors can provide borrowers with a plan aimed at helping them work out their mortgage payment difficulties. The credit counselor also can offer one-on-one counseling to help borrowers connect with their lenders or mortgage loan servicers to try to create a viable repayment plan. If the homeowner needs further foreclosure prevention assistance, the homeowner will be referred to Neighborhood Housing Services of Chicago.

Chicago homeowners also can contact the 3-1-1 hotline for a listing of City of Chicago housing counseling delegate agencies in their area for in-person/local assistance.

#### **Homeownership Preservation Foundation Hotline (HOPE)**

The HOPE Hotline is a national free 24-hour call center providing counseling services to homeowners at risk of losing their homes in foreclosure. Similar to the City of Chicago's 3-1-1 hotline, Illinois homeowners can speak to a credit counselor who will assist them in trying to arrange a successful solution with their mortgage lender or servicer. Services provided include budget and credit counseling and loss mitigation services. If homeowners are in need of further assistance, they will be referred to a local NeighborWorks America affiliate in their area.

The hotline number is 1-888-995-HOPE (1-888-995-4673).

## HUD-Approved Housing Counseling Agencies

The following HUD-approved agencies offer a variety of counseling services in the six-county Chicago metropolitan area (Cook, Lake, DuPage, Kane, McHenry, and Will) to eligible borrowers who are:

- shopping for a first mortgage or a home improvement loan,
- behind in their mortgage payments,
- wishing to refinance an excessively high-cost home loan, or
- considering a reverse mortgage.

Note that not all agencies offer the same services. For instance, with respect to default and foreclosure counseling, some agencies may work with the borrower to help them understand their options, while others may intervene on behalf of the borrower with their lender/servicer to help them obtain a sustainable workout plan.

### **Affordable Housing Corporation of Lake County**

Hiltop Executive Center  
1590 S. Milwaukee Ave., Suite 312  
Libertyville, IL 60048  
Phone: 847-263-7478  
Fax: 847-263-9381  
[www.ahclc.org](http://www.ahclc.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

### **Bethel New Life**

4006 W. Lake St.  
Chicago, IL 60624  
Phone: 773-826-8430  
[www.bethelnewlife.org](http://www.bethelnewlife.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

### **Brighton Park Neighborhood Council**

4477 S. Archer  
Chicago, IL 60632  
Phone: 773-523-7110  
Fax: 773-523-7023  
[www.bpnc-chicago.org](http://www.bpnc-chicago.org)

Offers pre-purchase counseling.

### **CCCS of Elgin**

22 S. Spring St.  
Elgin, IL 60120  
Phone: 847-695-3680  
Toll-free: 888-790-2370  
Fax: 847-695-4552  
E-mail: [cccs@fsaelgin.org](mailto:cccs@fsaelgin.org)  
[www.fsaelgin.org/CCCs.htm](http://www.fsaelgin.org/CCCs.htm)

Offers pre-purchase counseling and default/foreclosure counseling.

**CCCS of Elgin**

1535 Burgundy Pkwy.

Streamwood, IL 60107

Phone: 847-695-3680

Toll-free: 888-790-2370

[www.fsaelgin.org/CCCs.htm](http://www.fsaelgin.org/CCCs.htm)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**CCCS of Greater Chicago**

70 E. Lake St., Suite 1115

Chicago, IL 60601

Phone: 888-527-3328

[www.moneymanagement.org](http://www.moneymanagement.org)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**CCCS of Greater Chicago (Oak Park)**

1515 N. Harlem, Suite 205

Oak Park, IL 60302

Phone: 888-527-3328

Fax: 708-445-9664

[www.moneymanagement.org](http://www.moneymanagement.org)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**CCCS of Greater Chicago (Rolling Meadows)**

3601 Algonquin Rd., Suite 230

Rolling Meadows, IL 60008

Phone: 888-527-3328

Fax: 847-398-9404

[www.moneymanagement.org](http://www.moneymanagement.org)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**CCCS of Greater Chicago (Tinley Park)**

16860 S. Oak Park Ave., Suite 104

Tinley Park, IL 60477

Phone: 888-527-3328

Fax: 708-633-8302

[www.moneymanagement.org](http://www.moneymanagement.org)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**CCCS of McHenry County**

400 Russell Ct.

Woodstock, IL 60098-2640

Phone: 815-338-5757

Toll-free: 800-815-2227

Fax: 815-338-9646

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**Community Economic Development Association (CEDA)**

**Center for Community Action**

53 E. 154th St.

Harvey, IL 60426-3645

Phone: 708-339-3610

Fax: 708-331-4539

[www.cedaorg.net](http://www.cedaorg.net)

Offers pre-purchase counseling and default/foreclosure counseling.

**CEDA - Chicago Heights**

1203 W. End Ave.

Chicago Heights, IL 60411-2746

Phone: 708-754-4575

Fax: 708-754-4595

[www.cedaorg.net](http://www.cedaorg.net)

Offers pre-purchase counseling and default/foreclosure counseling.

**CEDA - Ford Heights**

1647 Cottage Grove Ave.

Ford Heights, IL 60411

Phone: 708-758-2510

Fax: 708-758-0825

[www.cedaorg.net](http://www.cedaorg.net)

Offers pre-purchase counseling and default/foreclosure counseling.

**CEDA Near West**

6141 W. Roosevelt Rd.

Cicero, IL 60804

Phone: 708-222-3824

Fax: 708-222-0026

[www.cedaorg.net](http://www.cedaorg.net)

Offers pre-purchase counseling and default/foreclosure counseling.

**CEDA Neighbors at Work**

1229 Emerson St.

Evanston, IL 60201-3524

Phone: 847-328-5166

Fax: 847-328-9262

[www.cedaorg.net](http://www.cedaorg.net)

Offers pre-purchase counseling and default/foreclosure counseling.

**CEDA Northwest Self-Help Center**

1300 Northwest Highway  
Mount Prospect, IL 60056

Phone: 847-392-2332

Fax: 847-392-2427

[www.cedaorg.net](http://www.cedaorg.net)

Offers pre-purchase counseling and default/foreclosure counseling.

**CEDA Southeast**

3518 W. 139th St.

Robbins, IL 60472

Phone: 708-371-1220

Fax: 708-371-1247

[www.cedaorg.net](http://www.cedaorg.net)

Offers pre-purchase counseling and default/foreclosure counseling.

**CEDA Southwest Development Corporation**

7666 W. 63rd St.

Summit, IL 60501

Phone: 708-458-2736

Fax: 708-458-9532

[www.cedaorg.net](http://www.cedaorg.net)

Offers pre-purchase counseling and default/foreclosure counseling.

**Chicago Urban League**

4510 S. Michigan Ave.

Chicago, IL 60653-3898

Phone: 773-285-5800

Fax: 773-285-0879

[www.thechicagourbanleague.org](http://www.thechicagourbanleague.org)

[mwooten@cul\\_chicago.org](mailto:mwooten@cul_chicago.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Chinese American Service League**

2141 S. Tan Ct.

Chicago, IL 60616

Phone: 312-791-0418 x 3605

Fax: 312-791-0509

[www.caslservice.org](http://www.caslservice.org)

Offers homebuyer education, pre-purchase counseling, and default/foreclosure counseling.

**Community Service Council**

719 Parkwood Ave.

Romeoville, IL 60446

Phone: 815-886-5000

Fax: 815-886-6700

[www.thecsc.org](http://www.thecsc.org)

Offers homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.

**DuPage Homeownership Center**

1333 N. Main St.

Wheaton, IL 60187-3579

Phone: 630-260-2500

Fax: 630-260-2505

E-mail: [info@dhoc.org](mailto:info@dhoc.org)

[www.dhoc.org](http://www.dhoc.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.

**Family Counseling SVC/CCC of Aurora**

70 S. River St., Suite 2

Aurora, IL 60506-5178

Phone: 630-844-3327

Toll-free: 800-349-1451

Fax: 630-844-3084

Offers default/foreclosure counseling.

**Family Counseling SVC/CCC of Aurora**

803 N. Bridge St.

Yorkville, IL 60560

Phone: 630-553-2062

**Genesis Housing Development Corp.**

Bronzeville Office

3763 S. Wabash

Chicago, IL 60604

Phone: 312-285-1685

Fax: 773-285-1663

[www.geneshdc.org](http://www.geneshdc.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Genesis Housing Development Corp.**

Greater Grand Crossing Office

7735 S. Vernon Ave.

Chicago, IL 60619

Phone: 773-994-6670

Fax: 773-994-6673

Offers pre-purchase counseling and default/foreclosure counseling.

**Greater Southwest Development Corporation - Southwest REACH Center**

6155 S. Pulaski, 2nd Floor

Chicago, IL 60629

Phone: 773-735-6727

Fax: 773-735-6592

[www.swreach.org](http://www.swreach.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.



**HCP of Illinois**

28 E. Jackson Blvd, #1109

Chicago, IL 60604

Phone: 312-386-1009 x223

Fax: 312-386-1019

[www.hcp-chicago.org](http://www.hcp-chicago.org)

Offers pre-purchase counseling.

**Housing Authority of Lake County**

33928 N. Route 45

Grayslake, IL 60030

Phone: 847-223-1170 x201

Fax: 847-223-1174

E-mail: [lhadd@sbcglobal.net](mailto:lhadd@sbcglobal.net)

[www.lakecountyha.org](http://www.lakecountyha.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Housing Opportunity Development Corporation**

P.O. Box #480

2001 Waukegan Rd.

Techny, IL 60082

Phone: 847-564-2900

Fax: 847-564-2992

[www.hodc.org](http://www.hodc.org)

Offers pre-purchase counseling.

**Institute for Consumer Credit Education**

16335 S. Harlem Ave., Suite #400

Tinley Park, IL 60477

Phone: 708-633-6355

Fax: 708-633-6321

[www.icceillinois.org](http://www.icceillinois.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Interfaith Housing Center of the Northern Suburbs**

614 Lincoln Ave.

Winnetka, IL 60093

Phone: 847-501-5760

Fax: 847-501-5722

[www.interfaithhousingcenter.org](http://www.interfaithhousingcenter.org)

Offers default/foreclosure counseling.

**Joseph Corporation of Illinois, Inc.**

32 S. Broadway Ave.

P.O. Box 525

Aurora, IL 60507

Phone: 630-906-9400

Fax: 630-906-9406

[www.josephcorporation.org](http://www.josephcorporation.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Lakeside Community Development Corporation**

1652 W. Wallen

Chicago, IL 60626

Phone: 773-381-5253

Fax: 773-262-9402

[www.lakesidcdc.org](http://www.lakesidcdc.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

Primary service communities: Rogers Park, West Ridge, Edgewater, Uptown, Lincoln Square, North Center, North Park, Albany Park.

**Latin United Community Housing Association**

3541 W. North Ave.

Chicago, IL 60647

Phone: 773-276-5338

Toll-free: 800-217-6970

Fax: 773-276-5338

[www.lucha.org](http://www.lucha.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.

**Neighborhood Housing Services (NHS) of Chicago**

1279 N. Milwaukee, 5th Fl.

Chicago, IL 60622-5854

Phone: 773-329-4010

Fax: 773-329-4120

[www.nhschicago.org](http://www.nhschicago.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.

**NHS of Chicago - Auburn Gresham/Englewood and West Englewood**

449 W. 79th St.

Chicago, IL 60620

Phone: 773-488-2004

Fax: 773-488-2126

[www.nhschicago.org](http://www.nhschicago.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling.

**NHS of Chicago - Back of the Yards/Garfield Boulevards**

1658 W. 47th St.

Chicago, IL 60609

Phone: 773-579-0032

Fax: 773-579-0848

[www.nhschicago.org](http://www.nhschicago.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling.

**NHS of Chicago - Chicago Lawn/Gage Park**

2609 63rd St.

Chicago, IL 60629

Phone: 773-434-9632

Fax: 773-434-9872

[www.nhschicago.org](http://www.nhschicago.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling.

**NHS of Chicago - North Lawndale**

3555 W. Ogden Ave.

Chicago, IL 60623

Phone: 773-522-4637

Fax: 773-522-4890

[www.nhschicago.org](http://www.nhschicago.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling.

**NHS of Chicago - Roseland**

11001 S. Michigan Ave.

Chicago, IL 60628

Phone: 773-568-1020

Fax: 773-928-0241

[www.nhschicago.org](http://www.nhschicago.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling.

**NHS of Chicago - South Chicago**

9108 S. Brandon

Chicago, IL 60617

Phone: 773-341-3190

Fax: 773-734-9221

[www.nhschicago.org](http://www.nhschicago.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling.

**NHS of Chicago - West Humboldt Park**

3601 W. Chicago

Chicago, IL 60651

Phone: 773-533-5570

Fax: 773-533-5571

[www.nhschicago.org](http://www.nhschicago.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling.

**Neighborhood Housing Services of the Fox Valley**

163 E. Chicago

Elgin, IL 60120

Phone: (847) 695-0399

Fax: (847) 695-7011

[www.nhschicago.org](http://www.nhschicago.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling.

**Nobel Neighbors**

1345 N. Karlov

Chicago, IL 60651

Phone: 773-252-8524

Fax: 773-252-8548

E-mail: Nobelneighbors@aol.com

Offers pre-purchase counseling and default/foreclosure counseling.

**North Side Community Federal Credit Union**

1011 W. Lawrence

Chicago, IL 60640

Phone: 773-769-5800 x227

Fax: 773-769-6800

E-mail: nosidefcu@aol.com

[www.northsidecommunityfcu.org](http://www.northsidecommunityfcu.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Northwest Side Housing Center**

3101 N. Parkside Ave.

Chicago, IL 60634-5326

Phone: 773-836-1179

Fax: 773-836-1720

E-mail: counselor@nwshc.org

Offers pre-purchase counseling and default/foreclosure counseling.

**Oak Park Regional Housing Center**

1041 South Blvd.

Oak Park, IL 60302

Phone: 708-848-7150

Fax: 708-848-7165

[www.oprhc.org](http://www.oprhc.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Proviso-Leyden Council for Community Action (PLCCA)**

411 Madison St.

Maywood, IL 60153-1939

Phone: 708-450-3500

Fax: 708-236-5186

[www.plcca.org](http://www.plcca.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Regional Four Housing Center**

9730 S. Western #502

Evergreen Park, IL 60805

Phone: 708-636-2811

Fax: 708-636-9360

E-mail: [regionalfairhousingcenter@yahoo.com](mailto:regionalfairhousingcenter@yahoo.com)

Offers pre-purchase counseling and default/foreclosure counseling.

**The Resurrection Project**

1818 S. Paulina

Chicago, IL 60608

Phone: 312-666-1323

Fax: 312-942-1123

[www.resurrectionproject.org](http://www.resurrectionproject.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Rogers Park Community Development Corporation**

1411 W. Lunt Ave.

Chicago, IL 60626

Phone: 773-262-2290

Fax: 773-262-2537

[www.rogersparkcdc.org](http://www.rogersparkcdc.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Smart Money Housing**

3510 Franklin Blvd.

Chicago, IL 60624

Phone: 773-553-0243

Fax: 866-834-6233

[www.smartmoneyhousing.org](http://www.smartmoneyhousing.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.

**South Side Community Federal Credit Union**

5401 S. Wentworth Ave., Suite 25

Chicago, IL 60609

Phone: 773-548-5500

Fax: 773-548-5533

[www.southsidecommunityfcu.org](http://www.southsidecommunityfcu.org)

Offers pre-purchase counseling and homebuyer education.

**South Suburban Housing Center**

18220 Harwood Ave., Suite 1

Homewood, IL 60430

Phone: 708-957-4674

Fax: 708-957-4761

[www.southsuburbanhousingcenter.org](http://www.southsuburbanhousingcenter.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Spanish Coalition for Housing**

4035 W. North Ave.

Chicago, IL 60639

Phone: 773-342-7575

Fax: 773-342-8528

[www.sc4housing.org](http://www.sc4housing.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Spanish Coalition for Housing**

9117 S. Brandon

Chicago, IL 60617

Phone: 773-933-7575

Fax: 773-933-7578

[www.sc4housing.org](http://www.sc4housing.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Spanish Coalition for Housing**

1915 S. Blue Island

Chicago, IL 60608

Phone: 312-850-2660

Fax: 312-850-2899

[www.sc4housing.org](http://www.sc4housing.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Will County Center for Community Concerns**

304 N. Scott St.

Joliet, IL 60432

Phone: 815-722-0722 x210

Fax: 815-722-6344

[www.wcccc.net](http://www.wcccc.net)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

## **RESOURCES FOR CONSUMERS OUTSIDE THE CHICAGO METROPOLITAN AREA**

### **Foreclosure Prevention Funds**

#### **Homeless Prevention Program**

Established in 2000 and administered by the Illinois Department of Human Service (DHS), the Homeless Prevention Program provides grants for up to three months of mortgage payments for income-eligible Illinois homeowners who have experienced temporary financial difficulties. The homeowner must document a temporary economic crisis beyond its control and demonstrate an ability to meet its future mortgage obligations after assistance has been granted based on current or anticipated income.

For information on how to access the program, homeowners can contact the Illinois Department of Human Services at 1-800-843-6154 or check the DHS Web site at [www.dhs.state.il.us](http://www.dhs.state.il.us).

### **Mortgage Products for Underserved Borrowers**

#### **NeighborWorks Member Organizations Outside the Chicago Metropolitan Area**

NeighborWorks is a national nonprofit organization created by Congress to provide financial support, loan products, technical assistance, and training for community-based revitalization efforts.

#### **Mid Central Community Action**

1301 W. Washington  
Bloomington, IL 61701  
Phone: 309-829-0691  
Fax: 309-828-8811  
[www.mccainc.org](http://www.mccainc.org)

#### **Neighborhood Housing Services of Freeport, Inc.**

27 W. Stephenson St.  
Freeport, IL 61032  
Phone: 815-232-6197  
Fax: 815-235-3560  
E-mail: [nhsfrpt@aeroinc.net](mailto:nhsfrpt@aeroinc.net)

## **Other Resources**

### **CIOP - Central Illinois Organizing Project**

510 E. Washington St., Suite 309

Bloomington, IL 61701

Phone: 866-525-6942 or 309-827-9627

[www.ciop.org](http://www.ciop.org)

(Serves the communities of Springfield, Bloomington-Normal, Decatur, Champaign-Urbana, Danville, Peoria, and rural Logan County.)

CIOP works with low- and moderate-income people in Central Illinois who are seeking home loans.

CIOP's Anti-Predatory Lending Refinance Initiative helps victims of predatory loans to obtain more affordable loans.

### **Legal Assistance**

**Income-eligible victims of predatory lending may be able to find free or low-cost legal assistance through the following services:**

#### **Land of Lincoln Legal Assistance Foundation Offices:**

##### **Alton Office**

310 Eaton St., Suite 330

Alton, IL 62002

Phone: 618-462-0029; 800-642-5570

(Serves Adams, Bond, Brown, Calhoun, Greene, Hancock, Jersey, Macoupin, Madison, Montgomery, Pike, and Schuyler counties.)

##### **Carbondale Office**

Old National Bank Building, Third Floor

509 S. University Ave.

Carbondale, IL 62901

Phone: 618-457-7800; 800-642-5335

(Serves Alexander, Clay, Edwards, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Richland, Saline, Union, Wabash, Wayne, White, and Williamson counties.)

##### **Champaign Office**

302 N. First St.

Champaign, IL 61820

Phone: 217-356-1351; 800-747-5523

(Serves Champaign, Clark, Coles, Crawford, Cumberland, DeWitt, Douglas, Edgar, Effingham, Ford, Jasper, Moultrie, Piatt, and Vermilion counties.)



**Charleston Office (Satellite)**

415 18th St.  
Charleston, IL 61920

**Decatur Office (Satellite)**

132 S. Water, Suite 628  
Decatur, IL 62523  
Phone: 217-423-0516; 800-747-2099

**East Saint Louis Office**

Dorothy O. Cook Community Law Center  
8787 State St.  
East St. Louis, IL 62203  
Phone: 618-398-0958  
Fax: 618-398-4813  
(Serves Clinton, Fayette, Monroe, Randolph, St. Clair, and Washington counties).

**Mt. Vernon Office (Satellite)**

1004 Main St.  
Mt. Vernon, IL 62864

**Springfield Office**

Illinois Realtors Building  
3180 Adloff Ln., Suite 201  
Springfield, IL 62703  
Phone: 217-529-8400; 800-252-8629  
Fax: 217-529-8411  
(Serves Cass, Christian, Logan, Macon, Mason, Menard, Morgan, Sangamon, Scott and Shelby counties.)

**Prairie State Legal Services Offices:**

**Fox Valley**

1024 W. Main St.  
St. Charles, IL 60174  
Phone: 630-232-9415; 800-942-4612  
Fax: 630-232-9402  
(Serves DeKalb, Kendall, and Kane counties.)

**Bloomington Office**

316 W. Washington St.  
Bloomington, IL 61701  
Phone: 309-827-5021; 800-874-2536  
Fax: 309-828-3776  
(Serves Livingston, McLean, and eastern Woodford counties.)

**Carol Stream Office**

350 S. Schmale Rd., #150  
Carol Stream, IL 60188  
Phone: 630-690-2130; 800-690-2130  
Fax: 630-690-2279  
(Serves DuPage county.)

**Galesburg Office**

1614 E. Knox St.  
Galesburg, IL 61401  
Phone: 309-343-2141; 800-331-0617  
Fax: 309-343-7647  
(Serves Knox, Warren, Henderson, McDonough, and Fulton counties.)

**Kankakee Office**

191 S. Chicago Ave.  
Kankakee, IL 60901  
Phone: 815-935-2750; 800-346-2864  
Fax: 815-935-0906  
(Serves Iroquois and Kankakee counties.)

**Ottawa Office**

1021 Clinton St.  
Ottawa, IL 61350  
Phone: 815-434-5903; 800-892-7888  
Fax: 815-434-2642  
(Serves Bureau, Grundy, LaSalle, Lee, and Putnam counties.)

**Peoria Office**

331 Fulton St., #600  
Peoria, IL 61602  
Phone: 309-674-9831; 800-322-2280  
Fax: 309-674-3802  
(Serves Marshall, Peoria, Tazewell, Stark, and western Woodford counties.)

**Rock Island Office**

1705 Second Ave., #314  
Rock Island, IL 61201  
Phone: 309-794-1328; 800-322-9804  
Fax: 309-794-0265  
(Serves Henry, Mercer, Rock Island, and Whiteside counties.)

**Rockford Office**

303 N. Main St., #600  
Rockford, IL 61103  
Phone: 815-965-2902; 800-892-2985  
Fax: 815-965-1081  
(Serves Boone, Carroll, Jo Daviess, Ogle, Stephenson, and Winnebago counties.)

## Homeownership Counseling for Consumers

### **Homeownership Preservation Foundation Hotline (HOPE)**

The HOPE Hotline is a national, free 24-hour call center providing counseling services to homeowners at risk of losing their homes in foreclosure. Similar to the City of Chicago's 3-1-1 hotline, Illinois homeowners can speak to a credit counselor who will assist them in trying to arrange a successful solution with their mortgage lender/servicer. Services provided include budget and credit counseling and loss mitigation services. If the homeowner is in need of further assistance, they will be referred to a local NeighborWorks America affiliate in their area.

The hotline number is 1-888-995-HOPE (1-888-995-4673).

### HUD-Approved Housing Counseling Agencies Outside the Chicago Metropolitan Area

The following HUD-approved agencies offer a variety of counseling services to eligible borrowers who are:

- shopping for a first mortgage or a home improvement loan,
- behind in their mortgage payments,
- wishing to refinance an excessively high-cost home loan, or
- considering a reverse mortgage.

Note that all agencies do not offer the same services. For instance, with respect to default and foreclosure counseling, some agencies may work with the borrower to help them understand their options. Others may intervene on behalf of the borrower with their lender/servicer to help them obtain a sustainable workout plan.

Agencies are listed alphabetically by city.

#### **Madison County Urban League**

408 East Broadway  
Alton, IL 62002-6146  
Phone: 618-463-1906  
Fax: 618-463-9021

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.

#### **Mid-Central Community Action**

1301 W. Washington  
Bloomington, IL 61701-4201  
Phone: 309-829-0691 x240  
Fax: 309-828-8811

[www.mccainc.org](http://www.mccainc.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.

**Macoupin County Housing Authority**

760 Anderson St.

P.O. Box 226

Carlinville, IL 62626

Phone: 217-854-8606 x18

Fax: 217-854-8749

[www.teamhousingcenter.com](http://www.teamhousingcenter.com)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Central Illinois Debt Management & Credit Education, Inc. - Champaign Office**

201 W. Springfield Ave., Suite 211

Champaign, IL 61820

Phone: 217-398-2227

Toll-free: 888-671-2227

Fax: 217-398-2237

E-mail: [kathy@cidmce.org](mailto:kathy@cidmce.org)

[www.cidmce.org](http://www.cidmce.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**City of Champaign Neighborhood Services Department**

102 N. Neil St.

Champaign, IL 61820

Phone: 217-403-7070

Fax: 217-403-7090

[www.ci.champaign.il.us](http://www.ci.champaign.il.us)

Offers pre-purchase counseling and default/foreclosure counseling.

**Central Illinois Debt Management & Credit Education, Inc. - Danville Office**

IETC Building

407 N. Franklin

Danville, IL 61832

Phone: 217-442-3044 x384

Toll-free: 888-671-2227

[www.cidmce.org](http://www.cidmce.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Central Illinois Debt Management & Credit Education, Inc. - Decatur Office**

222 E. North St.

Decatur, IL 62523

Phone: 217-425-0654

Toll-free: 800-959-2227

Fax: 217-425-4793

[www.cidmce.org](http://www.cidmce.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Community Investment Corporation of Decatur, Inc.**

2121 S. Imboden Ct.

Decatur, IL 62521

Phone: 217-423-0352 x124

Fax: 217-423-7214

E-mail: klkehoe@decaturcenter.com

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**CDBG Operations Corporation**

510 N. 25th St.

East St. Louis, IL 62205

Phone: 618-274-7832

Fax: 618-274-7801

E-mail: dianebonner@sbcglobal.net

Offers pre-purchase counseling and default/foreclosure counseling.

**Urban League of Metropolitan St. Louis**

1401 E. Broadway

East St. Louis, IL 62201

Phone: 618-274-1150

Fax: 618-274-4913

[www.ulstl.org](http://www.ulstl.org)

E-mail: LGardner@UrbanLeague-Stl.org

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**CEFS Economic Opportunity Corporation**

P.O. Box 928

1805 S. Banker St.

Effingham, IL 62401-0928

Phone: 217-342-2193 x126

Fax: 217-342-4701

[www.cefseoc.org](http://www.cefseoc.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Central Illinois Debt Management & Credit Education, Inc. - Galesburg Office**

180 S. Soangetaha Rd.

Galesburg, IL 61401

Phone: 309-676-2941

Toll-free: 888-671-2227

Fax: 309-676-6143

[www.cidmce.org](http://www.cidmce.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Embarras River Basin Agency, Inc.**

P.O. Box 307

Greenup, IL 62428

Phone: 217-923-3113

Fax: 217-923-5155

[www.erbainc.org](http://www.erbainc.org)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**Greenpath Inc.**

5306 Avenue of the Cities, Suite A

Moline, IL 61265

Toll-free: 888-776-6735

Fax: 309-788-6323

[www.greenpath.com](http://www.greenpath.com)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**METEC**

P.O. Box 10034

Peoria, IL 61605

Phone: 309-676-3832

Fax: 309-676-1612

[www.metec1.org](http://www.metec1.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Central Illinois Debt Management & Credit Education, Inc. - Main Office**

719 Main St.

Peoria, IL 61602-1083

Toll-free: 888-671-2227

[www.cidmce.org](http://www.cidmce.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Advocates for Access**

4450 N. Prospect Rd., Suite C8

Peoria Heights, IL 61616

Phone: 309-682-3500

Fax: 309-682-3989

TTY: 309-682-3567

[www.advocatesforaccess.com](http://www.advocatesforaccess.com)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Menard County Housing Authority**

P.O. Box 168

101 W. Sheridan Rd.

Petersburg, IL 62675

Phone: 217-632-7723 x226

Fax: 217-632-7255

[www.menardcha.org](http://www.menardcha.org)

E-mail: [asmith@menardcha.org](mailto:asmith@menardcha.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**Central Illinois Debt Management & Credit Education, Inc. - Princeton Branch**

Backbone Rd. East

Princeton, IL 61356

Toll-free: 888-671-2227

E-mail: [nichole@cidmce.org](mailto:nichole@cidmce.org)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**Project Now, Inc.**

418 19th St.

Rock Island, IL 61201

Phone: 309-793-6391

Fax: 309-793-6352

[www.projectnow.org](http://www.projectnow.org)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Rock Island Economic Growth Corporation**

120 16th St.

Rock Island, IL 61201

Phone: 309-788-6311

Fax: 309-788-6323

E-mail: [info@teamrockisland.com](mailto:info@teamrockisland.com)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Family Credit Counseling Service**

4306 Charles St.

Rockford, IL 61108

Phone: 800-994-3328

Fax: 800-492-3150

[www.familycredit.org](http://www.familycredit.org)

Offers pre-purchase counseling, default/foreclosure counseling, and reverse mortgage counseling.

**Rockford Area Affordable Housing Coalition**

205 N. Church St.

Rockford, IL 61101-1003

Phone: 815-962-2011

Fax: 815-962-2650

[www.raahc.org](http://www.raahc.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.

**City of Springfield Department of Community Relations**

231 S. 6th St. 3rd Floor

Springfield, IL 62701

Phone: 217-789-2270

Fax: 217-789-2268

[www.springfield.il.us/CommRelations/Index.htm](http://www.springfield.il.us/CommRelations/Index.htm)

Offers pre-purchase counseling.

**Illinois Assistive Technology Program**

1 W. Old State Capitol Plz., Suite 100

Springfield, IL 62701

Phone: 217-522-7985

Fax: 217-522-8067

[www.iltech.org](http://www.iltech.org)

(Serves people with disabilities and their household members in Sangamon, Logan, Menard, Christian, Macoupin, and Montgomery counties.)

Offers pre-purchase counseling, homebuyer education, and default/foreclosure counseling.

**Partnership for Homeownership Foundation**

522 S. Fifth St.

Springfield, IL 62701

Phone: 217-529-2600 x130

Toll-free: 800-370-6697

Fax: 217-529-5893

[www.PFHO.org](http://www.PFHO.org)

Offers pre-purchase counseling and homebuyer education.

**Springfield Housing Authority**

200 N. Eleventh St.

Springfield, IL 62703

Phone: 217-753-5757 x206

Fax: 217-753-5799

[www.springfieldhousingauthority.org](http://www.springfieldhousingauthority.org)

Offers pre-purchase counseling through its Family Self-Sufficiency Program.



**Springfield Urban League**

100 N. 11th St.

Springfield, IL 62703

Phone: 217-789-0830 x114

Fax: 217-789-9838

[www.springfieldul.org](http://www.springfieldul.org)

Offers pre-purchase counseling and default/foreclosure counseling.

**TSP-HOPE Inc.**

P.O. Box 961

1507 E. Cook St.

Springfield, IL 62705

Phone: 217-206-7688

Fax: 217-206-7693

E-mail: [rfafoglia@yahoo.com](mailto:rfafoglia@yahoo.com)

Offers pre-purchase counseling and default/foreclosure counseling.

**Western Egyptian Economic Opportunity Council**

P.O. Box 7

Steeleville, IL 62288-0007

Phone: 618-965-3458

Fax: 618-965-9421

[www.weecoc.org](http://www.weecoc.org)

Offers pre-purchase counseling and homebuyer education.

**CEFS Christian County Outreach Office**

311 S. Main St.

Taylorville, IL 62568

Phone: 217-824-4712 x14

Fax: 217-824-5018

[www.cefseoc.org](http://www.cefseoc.org)

Offers pre-purchase counseling, homebuyer education, default/foreclosure counseling, and reverse mortgage counseling.

## **Mortgage Brokers**

To find out if a mortgage broker is properly registered with the state, or to file a complaint against a mortgage broker, contact the Office of the Attorney General at:

**Chicago**  
1-800-386-5438  
TTY: 1-800-964-3013

**Springfield**  
1-800-243-0618  
TTY: 1-877-844-5461

**Carbondale**  
1-800-243-0607  
TTY: 1-877-675-9339

**[www.IllinoisAttorneyGeneral.gov](http://www.IllinoisAttorneyGeneral.gov)**

You may also contact the Illinois Department of Financial and Professional Regulation at [www.obrelookupclear.state.il.us](http://www.obrelookupclear.state.il.us) or 1-877-793-3470.

