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MADIGAN ANNOUNCES \$1.4 MILLION GRANT FOR FREE LEGAL HELP FOR ILLINOIS RENTERS

Attorney General Distributes Funds from National Foreclosure Settlement

Chicago — Attorney General Lisa Madigan today announced that nearly \$1.4 million in funding from the national foreclosure settlement has been awarded to Chicago's Lawyers Committee for Better Housing.

Madigan said the grant will help provide much-needed legal representation and advocacy services for Illinois renters living in buildings on the verge of foreclosure. According to a report from the Lawyers Committee for Better Housing, about 1 out of every 10 rental units in Chicago has been impacted by foreclosure. Last year alone, 4,477 apartment buildings were foreclosed on, including 13,814 rental units, which is about 5,000 more units than single-family and condominiums that were foreclosed on during the same time period.

"When an apartment building enters foreclosure, its tenants are often thrown into a kind of legal limbo, where their rights are either ignored or overtly violated," Madigan said. "Having a legal advocate on their side will help ensure that tenants know their rights and have their rights enforced."

The Attorney General made the announcement in advance of her keynote speech at the 2012 Lawyers' Committee for Better Housing Annual Reception and Awards Ceremony in Chicago. The funding stems from her role in securing a \$25 billion national settlement in February with the nation's five largest bank mortgage servicers – Bank of America, JPMorgan Chase, Wells Fargo, Citibank and Ally Bank, formerly GMAC. The settlement addressed allegations of widespread "robo-signing" of foreclosure documents and other fraudulent practices bank servicers engaged in while servicing loans of struggling homeowners.

As part of the national settlement, Madigan's office recovered money from the banks to remediate the historic levels of foreclosure in Illinois. Today's announcement is among the first distributions of that funding, which as a whole will benefit legal assistance programs, housing counseling services and community revitalization efforts to counteract the negative effects of foreclosures on communities throughout Illinois. Madigan announced in April she would commit to distribute \$20 million of the funds recovered in the settlement to legal aid services. The Attorney General's office is continuing to analyze grant proposals toward that goal.

For more than 30 years, the Lawyers Committee for Better Housing has worked with tenants to advocate for their rights and improve their living conditions. LCBH does both advocacy work and direct representation of tenant clients. Lawyers work with tenants to educate them on their rights under the Chicago Residential Landlord Tenant Ordinance, condominium conversion laws, state laws, fair housing, foreclosure and other laws as applicable.

The three-year, \$1,391,000 grant to the organization will be used to help fund its Tenants in Foreclosure Intervention Project to help preserve affordable housing and ease the burden many renters suffer due to foreclosure. The grant will allow LCBH to hire staff members and lawyers and support existing employees to increase the number of clients it serves.

"Since 2008, LCBH has been ringing the alarm bells to bring attention to the issue of renters living in foreclosed homes and buildings. In Chicago, more renters than homeowners lose their homes each year to foreclosure," said Cheryl Lawrence, LCBH executive director. "By bringing this settlement home to Illinois and allocating significant resources to assist those least able to weather the storm, Attorney General Madigan is demonstrating both her leadership and her concern for all Illinoisans affected by the foreclosure crisis. In partnership with the Attorney General, LCBH will now be able to increase its impact on renters in foreclosure which is a critical component to resolving the housing crisis in Illinois."

In addition to the cash payments directed to the state, Illinois borrowers will receive an estimated \$1 billion in direct relief as a result of the national settlement to assist those who have lost their homes, are underwater or at imminent risk of defaulting on their mortgages. The settlement will also completely overhaul mortgage servicing standards to prevent future abuses by lenders.

Consumers seeking more information on the national settlement can contact Madigan's Homeowner's Helpline at (866) 544-7151, or visit her website, www.illinoisattorneygeneral.gov/consumers/bankforeclosuresettlement.html. Borrowers also can visit www.NationalForeclosureSettlement.com.

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