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## ATTORNEY GENERAL MADIGAN ANNOUNCES \$1.5 MILLION FOR PULLMAN AFFORDABLE HOUSING INITIATIVE

### *National Foreclosure Settlement Funding To Advance Neighborhood Rebuilding, Preservation Effort*

**Chicago** — Attorney General Lisa Madigan today announced she has awarded \$1.5 million to support an affordable historic home revitalization project underway in Chicago's Pullman neighborhood being led by the Chicago Neighborhood Initiatives (CNI).

The funding provided by Madigan stems from her lead role in obtaining a historic \$25 billion national settlement with the country's five largest bank mortgage servicers – Bank of America, JPMorgan Chase, Wells Fargo, Citibank and Ally Bank, formerly GMAC. The 2012 settlement addressed allegations of widespread robo-signing of documents and other fraudulent practices by banks during foreclosure proceedings.

The CNI renovation and affordable housing program is part of the Attorney General's dedication of \$70 million in settlement funding to support relief efforts for Illinois communities fraught with vacant and abandoned properties in the wake of the foreclosure crisis.

"Whole neighborhoods in Chicago were devastated by the foreclosure crisis," Madigan said. "The funding from the national mortgage settlement will help restore these communities block by block and serve as a down payment on a more stable financial future for families in Pullman."

The funding for CNI will enable it to acquire and rehabilitate 20 single-family homes for resale or rent. It will also allow for the acquisition of 15 buildings that will be developed into approximately 40 new rental units. To date, CNI has invested over \$5 million in the Pullman neighborhood to renovate 38 historic homes.

As the result of Madigan's role in the national foreclosure settlement, Illinois residents have received over \$2.4 billion in direct relief, through principal reductions on home loans and refinancing for underwater loans, and an additional \$43 million in direct payments to foreclosed borrowers.

In addition to securing direct relief for Illinois residents, Attorney General Madigan also dedicated nearly \$70 million in settlement funding for community reinvestment, which has provided support for 54 proposals that focused on areas of need in Illinois and on housing initiatives that have been nationally recognized by the institutions as diverse as the U.S. Department of Housing and Urban Development and the Brookings Institution. Funding was awarded to groups of organizations working collaboratively to ensure efforts are not duplicated and are more effective – allowing public and private partners to reach a larger number of homeowners and renters in neighborhoods across the state. Some resources were also dedicated to housing policy and data experts that will ensure the long-term viability of the projects. Attorney General Madigan also awarded \$20 million to legal aid organizations and \$5 million to pilot mortgage foreclosure mediation programs in Illinois as a result of the national foreclosure settlement.

### **Combating the Housing Crisis on Many Fronts**

Throughout the foreclosure crisis, Attorney General Madigan has taken aggressive action to hold the country's biggest mortgage lenders accountable for unlawful misconduct. Last year, Madigan became the only state Attorney General to bring and resolve a fair lending lawsuit against a national bank when she and the U.S. Department of Justice reached a \$175 million settlement with Wells Fargo over discriminatory lending practices. In 2011, Madigan and the U.S. Department of Justice reached a \$335 million settlement to resolve allegations that Countrywide – now owned by Bank of America – employed similar discriminatory lending practices against minority borrowers. That settlement represented the largest fair lending settlement in the nation's history.

Madigan led an earlier lawsuit against Countrywide that brought about a national \$8.7 billion settlement in 2008 regarding the company's predatory lending practices, and she reached a \$39.5 million settlement with Wells Fargo over the bank's deceptive

marketing of extremely risky loans called Pay Option ARMs. Madigan has also filed a consumer fraud lawsuit against Standard & Poor's, alleging the ratings agency compromised its independence by assigning high ratings to unworthy, risky investments as a corporate strategy to increase its revenue and market share.

The Attorney General has also secured over \$184 million in settlement negotiations with JPMorgan Chase & Company and Citigroup to fully recover losses for Illinois' pension systems incurred as a result of the banks' fraudulent marketing and sale of risky residential mortgage-backed securities in the lead up to the economic crisis.

For more information on the national foreclosure settlement that led to today's announcement, visit [www.illinoisattorneygeneral.gov/consumers/bankforeclosuresettlement.html](http://www.illinoisattorneygeneral.gov/consumers/bankforeclosuresettlement.html). Borrowers also can visit [www.NationalForeclosureSettlement.com](http://www.NationalForeclosureSettlement.com).

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