

Story URL: <http://news.medill.northwestern.edu/chicago/news.aspx?id=146515>

Foreclosure rates climb in middle and upper class areas

by [Janeen Wynn](#)

Nov 12, 2009

Some suburban homeowners facing foreclosure are left with no option for government assistance. People who live in luxury homes can fall between the cracks for government aid programs because the value of their home is too high.

Jasmine Brewer, housing counseling director at the Interfaith Housing Center of the Northern Suburbs, said the Obama administration's Making Home Affordable program has a loan cap. Many residents who come to the center for assistance don't qualify.

"It's hard to put them on the Making Home Affordable program because the program is effective only for loans under \$750,000," Brewer said. "Some of these people are living in million dollar homes."

That could be a problem in suburbs like Wilmette where the foreclosure rate increased by 136 percent compared with last year and the median price of a home is \$775,817.

Higher real estate prices mean higher property taxes. But Cook County Treasurer Maria Pappas said the recent jump in foreclosures hasn't slowed property tax payments. In fact property tax payments have increased since this time last year in Cook County.

"Forty-five thousand more people have paid their taxes compared with last year," said Pappas. "More people are paying."

The increase in property tax payments doesn't necessarily mean that the real estate market is looking up. Pappas said the mortgage companies usually take over tax payments on foreclosed homes.

"We can't tell because the mortgage companies come in and pay until they find another buyer," Pappas said.

Brewer said her office is slammed with foreclosure cases, and the organization has increased its staff to accommodate the jump.

"It has to do with a lot of people losing their primary source of income," Brewer said.

The City of Chicago's foreclosure rates have dropped 4.6 percent compared with last year, according a report from the Woodstock Institute. The drop occurred, in part, because the subprime mortgage crisis hit low-income city neighborhoods early. But the foreclosure crisis is inching its way into some surrounding suburbs with the number of filings, even for properties with conventional mortgages, doubling and even tripling in some areas.

Brewer said climbing suburban foreclosure rates cast new light on the lack of affordable housing that has long been a concern on the North Shore.

"It's not just affecting poor people or people of color anymore," said Brewer. "It's affecting everyone."