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# CLOSE TO HOME: 'Rescue artists' said they would save her home. They didn't.

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Sonoma County's residents continue to suffer from home foreclosures and job losses, and a new wave is predicted in 2010. Stunned, newly homeless families and individuals are filling shelters, standing in food lines and struggling to find their way back to stable housing. Preventing the loss of homes is the first line of defense. Both Catholic Charities and California Human Development offer foreclosure counseling.

Catholic Charities had 88 active cases in July and opens about five new cases per month. A foreclosure counselor educates clients about options, helps assess finances and create budgets, advocates with lenders and helps access community resources. Many clients must short sell or enter foreclosure. Still, Catholic Charities resolved 103 cases last year through loan forbearance (sometimes costly), modifications, communicating with bankers and counseling to accept loss of homes and develop housing plans.

At California Human Development, Linda Hedstrom, the CHD housing developer and former Lake County housing director, handles 60 foreclosure prevention clients. Many are in trouble because of income losses. Some have medical bills or have recently lost a spouse. All are desperate.

About half the clients come from Santa Rosa. Most are Latino, speak only Spanish and have been targeted by "rescue" artists who took up to \$5,000 and never delivered on their promises. Several had already lost their homes to scams.

Recently, one lady was told, even when getting nasty bank notices, that the company was on top of it and would save her home. Finally when her house was scheduled for a foreclosure sale, the company told her not to worry, their lawyer was flying up from Los Angeles to meet her at the courthouse steps and stop the sale. Of course, that didn't happen, and she lost her home. There are many stories like this.

Sometimes buyers offer "cash for keys" if the homeowner leaves the premises quickly and in good shape. Clients find a rental they can afford, get move-in costs in writing, and the program tries to get that paid. Some companies press for eviction despite promising to help however, and residents are evicted without assistance.

Hispanic and low-income clients were often pushed into predatory loans with high rates and constant readjustments even if they had good credit scores and could qualify for

traditional loans. Many obviously could not afford their homes. Yet someone gave them the money. Deals often included second loans so the buyer put in almost no cash. No legitimate lender would let someone buy a home this way. And these are the same people now calling themselves "rescue" companies.

Dealing with lenders is challenging. Hedstrom sometimes manages to get second lenders to accept pennies on the dollar for walking away and giving back the deed. One family owed \$80,000-plus on a second and the lender accepted \$5,000. Second lenders have little or no chance of getting any money if a house goes into foreclosure since the little made goes to the first lender, attorney fees and taxes.

We can ask our legislators to stop rescue scam artists and predatory lenders through legislation, active law enforcement and prosecution; to support ongoing funding for federal, state and local housing trust funds; to increase funds for low-income housing and crucial services; to ensure that banks receiving bailout funds are using them to help homeowners and support the right to housing. It will not be easy to resolve our housing crisis, but supporting our local organizations can help people avoid or recover from homelessness.

To learn more about Catholic Charities' Housing Help Sonoma County, go to [www.srcharities.org](http://www.srcharities.org). For more on the CHD's Foreclosure Prevention Program, e-mail [Linda.Hedstrom@chdcorp.org](mailto:Linda.Hedstrom@chdcorp.org).

*Georgia Berland is executive officer of the Sonoma County Task Force for the Homeless.*

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