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NLIHC is dedicated solely to ending America's affordable housing crisis.

PRESS RELEASE

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Renters Make Up 45% of Households Whose Homes Are in Foreclosure in Four New England States

Policy makers need to pay attention to renters hurt by the foreclosure crisis

WASHINGTON, DC –A report released today by the National Low Income Housing Coalition (NLIHC) provides strong evidence that the mortgage foreclosure crisis extends well beyond homeowners in single-family homes. The percentage of renters whose homes are threatened by foreclosure is estimated to be 45% of the total homes in foreclosure in four New England states. These findings are in the NLIHC's report entitled *Properties, Units, and Tenure in the Foreclosure Crisis: An Initial Analysis of Properties at the End of the Foreclosure Process in New England*.

Between January 1, 2007 and March 31, 2008, a total of 14,993 residential properties in Massachusetts, Connecticut, Rhode Island, and New Hampshire were either already owned by the lender or were headed for foreclosure auction. Of these, 32% were multi-unit (two units or more) properties. Thus, of the 23,440 separate housing units that were in advanced stages of foreclosure, 56% (13,183) were in multi-unit properties. The available data do not indicate whether a unit was owner- or renter-occupied. However, even making the conservative assumptions that 1) all of the single family homes in this study were occupied by homeowners (although 15% of all single-family homes nationwide are occupied by renters) and 2) all the owners of multi-unit properties lived on site in one of the units (again unlikely), **NLIHC estimates that at least 45% of the housing units in the final stages of foreclosure in these four states were renter-occupied.**

Moreover, if current trends are any indication, the crisis is getting appreciably worse. From the first quarter of 2007 through the first quarter of 2008, foreclosures in these four states increased by 432%, a 359% increase in single-family home foreclosure and a 507% in multi-family home foreclosures.

“Renters are completely innocent parties in the mortgage foreclosure crisis. Lease-abiding renters are losing their homes just as fast, if not faster, than homeowners who have defaulted on their mortgages. But the interests of renters are getting lost in the policy debate in Washington, while the interests of lenders, investors, home builders, and homeowners are commanding Congressional attention,” said Sheila Crowley, President of the National Low Income Housing Coalition. “Foreclosure usually means eviction for renters. Because renters as a group have lower incomes than homeowners and because most renters who are evicted due to foreclosure never get their security deposits back, they face a period of housing instability at the very least and many are at risk of homelessness.”

The National Low Income Housing Coalition and several other national faith-based, homeless, and low income housing advocacy organizations call on Congress to pass legislation to:



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- **Protect all renters in all foreclosed properties:** For every foreclosure, where the current occupant is a renter, the entity that takes ownership of the property must honor the lease of the current leaseholder and provide at least 90 days notice prior to terminating the tenancy.
- **Provide special protections for Section 8 voucher holders:** The federal government has a special interest in protecting voucher tenancies. The United States Housing Act of 1937 should be amended to provide that section 8 tenancies survive foreclosure, allowing the tenant to remain in the property for the duration of the lease with continued housing assistance payments.
- **State laws that provide greater protection should not be pre-empted.** A few states have enacted special protections for tenants in foreclosure.
- **Provide one-time emergency funding of \$300 million to the Emergency Food and Shelter Program to prevent families facing foreclosure from becoming homeless.** This direct financial assistance would be used solely for housing-related assistance needed to prevent homelessness in connection with foreclosure. This assistance will include relocation expenses, security and utility deposits, mortgage payments, rent payments, utility payments, and other foreclosure or eviction prevention expenses.

To read the full report, go to <http://www.nlihc.org/doc/RN-08-01-Multi-Unit-Foreclosure-FINAL-05-06-08.pdf>

The National Low Income Housing Coalition is a membership organization dedicated solely to ending America's affordable housing crisis. NLIHC educates, organizes and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone.

The National Low Income Housing Coalition recognizes journalists who do an exemplary coverage of the affordable housing crisis. For more information, go to www.nlihc.org/cndma.

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