For Immediate Release
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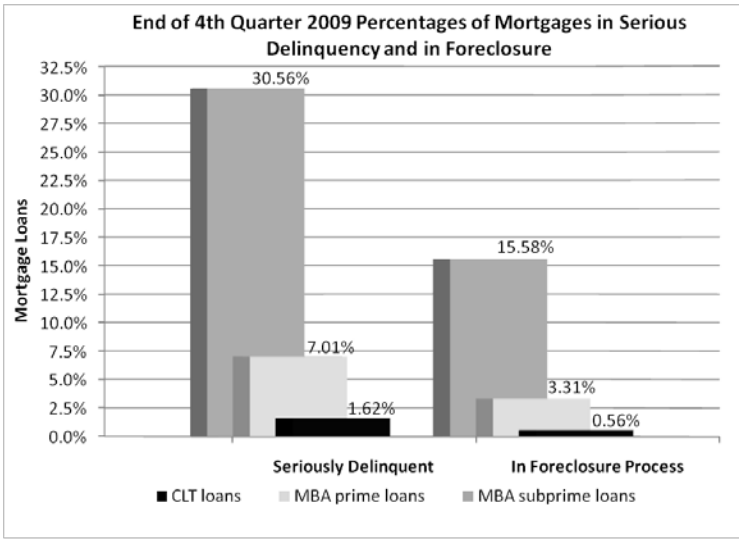
Defying national trends, delinquent mortgages and foreclosures continue to remain low in community land trusts for 2009

Community land trust homeowners continue to succeed based on a model of long-term affordability and post-purchase stewardship

Portland, Ore. (April 26, 2010) – Homeowners in community land trusts (CLTs) across the nation continue to have substantially lower delinquency and foreclosure rates than owners of market-rate homes, according to survey results released today by an independent researcher at Vanderbilt University working in partnership with the National Community Land Trust Network.

"Across the country, homeowners are losing their homes and jobs due the economy and foreclosure crisis. CLTs emphasize stewardship to prevent our owners from becoming another sad statistic," said Devika Goetschius, executive director of the Housing Land Trust of Sonoma County in California. "We educate them before they buy, we help them make good decisions while owning, and we intervene if they hit hard times."

As a case in point, Goetschius explained the experience of an employed single mother with two children whose ex-husband lost his job so he could no longer pay child support, "Like all our owners, we had a trusting and supportive relationship with her, which we developed from the first day of homebuyer education and reinforced up until her financial situation created a crisis. So she called us immediately, and we acted immediately. We used our expertise to navigate the complex process of identifying state financing programs and refinancing options. We worked with her to write a letter of hardship and completed the paperwork on her behalf. She is now in a 30-year traditional mortgage that is affordable to her new situation."



Results from the survey found that conventional homeowners were 8 times more likely to be in the process of foreclosure than CLT homeowners at the end of the 4th quarter of 2009. According to the Mortgage Bankers Association (MBA) survey of market-rate mortgages, 4.6% were in the process of foreclosure, compared to

only 0.6% of CLT mortgages. This represents a widening of the gap as compared to 2008, when market-rate homeowners were 6 times more likely to be in the process of foreclosure as compared to their CLT counterparts.

When the percentages of "seriously delinquent" mortgages for the end of 2009 were calculated (which includes delinquencies of 90 days or more and those in the foreclosure process), MBA percentages ranged from 5.4% to 30.6% (depending on loan types) compared to only 1.6% in CLTs. While market-rate delinquencies increased 1.3% to 7.5% from 2008, CLT percentages actually declined in that same period by 0.4%.

Community land trusts offer low-to-moderate income households the opportunity to buy homes at prices substantially below market rates, utilizing a combination of public and private subsidies. CLTs provide pre-purchase education and support that prepare families for homeownership, and after purchase, CLTs provide ongoing stewardship services to backstop homeowners for as long as they own their homes. In exchange, homeowners agree to limit the appreciation they receive when they sell their home to keep it affordable to future generations of homebuyers.

"What this shows is that CLTs are clearly outperforming the market. Unlike foreclosure trends in the market, which hit all time highs during 2009, CLTs keep finding ways to safeguard their homeowners from foreclosure," said Roger Lewis, Executive Director of the National CLT Network.

The survey results were based on 2,173 mortgage holders in 42 CLTs across 22 states. The study also found that CLTs helped to prevent foreclosure for 51% of mortgages that were seriously delinquent during 2009. Lewis remarked, "Interventions that have been rolled out by the feds or used by the private-market haven't come close to helping this percentage of homeowners in trouble."

The survey found that, for homeowners in trouble, 57% of CLTs were providing financial counseling, and 72% were facilitating loan modifications with lenders. Over and above these activities, which are components of government-funded foreclosure prevention programs, approximately 50% of CLTs reported that they also try to rectify overdue mortgage payments to help owners keep their homes. And for those who are simply not able to hold onto their homes, CLTs facilitate short sales to prevent the adverse consequences of foreclosure.

Despite the success of CLTs in preventing foreclosure, only one-third of CLTs received outside funding in 2009 to cover the cost of providing foreclosure prevention services. "It is quite clear that foreclosure prevention is many times more cost-effective than allowing homes to go through foreclosure. When you find positive results like this, it makes you question why more isn't done to support it," said Emily Thaden, the researcher from Vanderbilt University.

Thaden continued, "There's a chance to turn crisis into opportunity by supporting CLTs to acquire foreclosed properties and steward homeowners. Foreclosures hurt neighborhoods by contributing to increased crime rates and declining housing values. CLTs could be stabilizing forces in these neighborhoods."

ABOUT THE 2009 CLT DELINQUENCY AND FORCLOSURE SURVEY
The National CLT Network, in partnership with a researcher from Vanderbilt University, surveyed 229 CLTs in 32 states during March 2010.

ABOUT THE NATIONAL CLT NETWORK
The National CLT Network is the umbrella organization for community land trusts in the U.S., with over 100 member organizations. The National CLT Network provides training, advocacy and resources for its member organizations, which nurture and sustain healthy and economically diverse communities by providing permanently affordable access to land, homes, and related resources. For information, visit www.cltnetwork.org.

ABOUT THE LINCOLN INSTITUTE OF LAND POLICY
As part of its joint venture agreement with the National CLT Network, the Lincoln Institute of Land Policy has been a partner in the last two national CLT foreclosure surveys. The Lincoln Institute of Land Policy is a leading resource for key issues about the use, regulation and taxation of land. Providing high-quality education and research, the institute strives to improve public dialogue and decisions about land policy. For information, visit www.lincolninst.edu.

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