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Foreclosures Force Ex-Homeowners to Turn to Shelters

By [PETER S. GOODMAN](#)

CLEVELAND — The first night after she surrendered her house to foreclosure, Sheri West endured the darkness in her Hyundai sedan. She parked in her old driveway, with her flower-print dresses and hats piled in boxes on the back seat, and three cherished houseplants on the floor. She used her backyard as a restroom.

The second night, she stayed with a friend, and so it continued for more than a year: Ms. West — mother of three grown children, grandmother to six and great-grandmother to one — passed months on the couches of friends and relatives, and in the front seat of her car.

But this fall, she exhausted all options. She had once owned and overseen a group home for homeless people. Now, she succumbed to that status herself, checking in to a shelter.

“No one could have told me that in a million years: I’d wake up in a homeless shelter,” she said. “I had a house for homeless people. Now, I’m homeless.”

Growing numbers of Americans who have lost houses to foreclosure are landing in homeless shelters, according to social service groups and a recent report by a coalition of housing advocates.

Only three years ago, foreclosure was rarely a factor in how people became homeless. But among the homeless people that social service agencies have helped over the last year, an average of 10 percent lost homes to foreclosure, according to “Foreclosure to Homelessness 2009,” a survey produced by the National Coalition for the Homeless and six other advocacy groups.

In the Midwest, foreclosure played a role for 15 percent of newly homeless people, according to the survey, reflecting soaring rates of unemployment — Ohio’s reached 10.8 percent in August — and aggressive lending to

people with damaged credit.

At a shelter for women and children run by the West Side Catholic Center in Cleveland, where Ms. West now lives, foreclosure accounted for zero arrivals in 2007, the center's executive director, Gerald Skoch, said. Last year, two cases emerged. This year, the number has already reached four.

Similar increases have been reported at shelters in California, Michigan and Florida, where a combination of joblessness and the real estate bust have generated unusually severe rates of foreclosure.

Most people who become homeless because of foreclosure had been low-income renters whose landlords stopped making their mortgage payments, leaving them scrambling for new housing with little notice and scant savings, according to the survey and interviews with shelters.

But in recent months, there has been a visible increase in the number of former homeowners showing up in shelters. Like Ms. West, most have landed there after months trying to stave off that fate.

"These families never needed help before," said Larry Haynes, executive director of Mercy House in Santa Ana, Calif. "They haven't a clue about where to go, and they have all sorts of humiliation issues. They don't even know what to say, what to ask for."

Many start off camping out in cars, particularly in warmer places.

"We've seen a rise in people sleeping in their cars," said Rick Cole, city manager in Ventura, Calif., which recently allowed car-camping in designated areas. "Some are foreclosed former homeowners, and some couldn't afford their rent. People will give up their house before they give up their car."

Those with means try to rent homes or apartments, though tainted credit often makes that impossible. Growing numbers are landing in motels that rent by the week, cramming whole families into single rooms and using hot plates as kitchens. But as unemployment expands, many are losing the wherewithal to remain.

Many take refuge with families and friends, occupying extra bedrooms, basements and attics. But such hospitality rarely lasts.

So, as lean times endure and paychecks disappear, homeless shelters are absorbing those who have run out of alternatives.

For Ms. West, whose youthful appearance belies her age, in her mid-50s, the nights spent on couches in other people's homes were uncomfortably familiar. She grew up an only child in a housing project in Neptune, N.J., where her mother slept in the lone bedroom, and she occupied a pullout sofa in the living room.

"I've always had this dream of doing better," she said. "I always wanted to own my own house."

She realized that dream shortly after arriving in Cleveland with her husband and two children in the early 1990s. At first, they rented. But one fall afternoon, Ms. West found herself on a block lined with leafy trees in Mount Pleasant, a neighborhood east of the Cuyahoga River that was a magnet for middle-class black families like hers. Red brick homes with wooden porches sat on ample lots. Public schools were a few blocks away.

When she saw an ad in the Sunday paper offering a house on that very block, she bought it for \$45,000; for the \$9,000 down payment she used the savings her mother had left her when she died. She and her husband assumed the mortgage from the previous owner, with affordable payments of less than \$400 a month.

Ms. West then had a job as a maintenance worker at an apartment complex for about \$9 an hour. Her husband earned about \$10 an hour as a truck driver. As the years passed, they added shrubbery to the front yard and photos of children's birthday parties to the walls.

"I thought that was going to be my house," she said.

She tapped her inheritance to buy another house on nearby Union Street, paying \$15,000 in cash for a light-blue, vinyl-sided A-frame. She turned the house into a home for five homeless people. She did their laundry, reminded them to take their medications and cooked meals, while collecting payments of up to \$750 a person each month from the agencies that placed them.

Over the years, Ms. West and her husband spent more than they earned. They used credit cards to finance restaurant meals. They bought a new S.U.V.

At the group home, Ms. West's compensation slipped as the state limited benefit payments. Yet every month brought the same thicket of bills — water, electricity, gas, plus food for the people under her charge.

In 2001, Ms. West and her husband took out a \$67,000 mortgage on the Union Street house — which had increased considerably in value — to refinance high-interest debts, assuming payments of nearly \$700 a month.

Two years later, her husband left her.

“It just took the life out me,” she said. “I was in a very bad state, a very depressed situation. Things just kind of went downhill. I just didn't care anymore.”

By 2005, she was broke. She sold the brick house to her cousin, disbanded the group home and moved in. She paid what bills she could through temporary jobs as a signature collector for petition drives. But as many months passed without work, the bills piled up past due.

By the next year, terse letters were coming from the mortgage company — notices of delinquency, then threats of foreclosure. Much of the neighborhood was in a similar state. Broken windows sat unrepaired at a two-story apartment block across the street, where tattered curtains flapped in the breeze. The city boarded up abandoned homes to deter vagrants, drug addicts and prostitutes.

Ms. West wrote to her mortgage company, seeking lower payments. But with tainted credit and no full-time job, she was not a candidate for a deal. Fliers beckoned with relief as companies offered to negotiate with her lender for lower payments. But when she called, the companies demanded upfront payments as high as \$500.

“I told them, ‘if I had that money, I wouldn't be going into foreclosure,’ ” she said.

In the spring of 2008, Ms. West accepted an offer from the mortgage company: move out, hand over the keys and collect \$2,500. She sold what furniture she could and put the rest on the street — tables, beds, a couch.

Her uncle had said she could stay with him for a while. But when she called him to say she was on the way, he told her that his girlfriend was uncomfortable with the arrangement. Ms. West's daughter was in a cramped rented house with her boyfriend and her two children. Her son was in a rooming house.

So Ms. West, a stylish woman with a penchant for shiny lipstick and glittering jewelry, wound up camping in her car. She listened to the radio to drown out the voices of prostitutes trawling the street. She meditated. (“Just blank out everything in your mind,” she said. “Just go to a place that’s peaceful, like a beach.”) She prayed.

“It was scary,” she said. “Here I am, alone, and I don’t have nowhere to go.”

The next day, she moved in with a friend, remaining there for about three months. For several more months, she stayed with the cousin who had bought her old brick house and was living there with her husband and seven children. Toys lay scattered across the floor. The walls vibrated with music, television and the sounds of children. She lay awake on the couch, a vagabond in the one place that had once felt so solid.

“I was losing my mind,” she said.

She was grateful to be inside — particularly during the Cleveland winter — yet never comfortable or stable enough to plan beyond the next day.

“You know in the back of your mind that people don’t really want you there,” she said.

Sometimes, she lived out of her car, spending days at the public library, where she washed up in the restroom and used a computer to scan meager job listings.

Finally, a woman she met on the street took her in and helped her formulate a recovery plan. She signed up for food stamps. She enrolled at a community college in a three-month, state-financed training program that would give her a certificate for an entry-level job in biotechnology, putting her in position to earn as much as \$16 an hour.

In September, she got a bed at the homeless shelter, reluctantly accepting that she needed her own space to re-establish her life.

“I never wanted to go to the shelter because of the stigma,” she said. “I’m a very independent person. I felt like I got myself into this situation, and I’ve got to get myself out. But I knew I couldn’t just keep going back and

forth and staying with these people and not moving forward with my life.”

She sleeps in a twin bed with a flower-print duvet, in a small room painted lavender. Her plants line the windowsill. She keeps to herself, reading motivational books, as she prepares to start classes next month.

She is working again, taking care of senior citizens in their homes part time, and saving money.

By December, she will exhaust the shelter’s 90-day limit, so she is hurrying to line up a house to rent while arranging a subsidy through the West Side Catholic Center.

She is still shaken by the past and anxious about the future, but she is again looking ahead.

“I do want to eventually own a house again,” she said. “That’s the American dream. That’s what everybody wants.”

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