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THE NEEDIEST CASES

Helping to Keep Homelessness at Bay as Foreclosures Hit More Families

By [MANNY FERNANDEZ](#)

Staff Sgt. Sandra Rolon spent more than a year in Kuwait, managing food service operations at a military base as part of the 408th Personnel Service Battalion in the U.S. Army Reserve. She thought of her time there in 2004 as a way both to serve her country and to pursue a more personal goal: buying a home.

By the summer of 2007, Ms. Rolon had put a down payment of about \$3,000 on a two-story tan-brick house with a patio on a narrow street in the Throgs Neck section of the Bronx. It was a home she knew she could not afford. The house was \$468,000, and the monthly costs on her subprime mortgage were \$4,000. She earns about \$2,800 a month. The broker, she said, told her she could simply refinance the mortgage later.

Ms. Rolon, 49, an administrative worker at an Army Reserve center on Long Island, was able to make the payments for just two months. She decided to redo the basement so she could rent out the rooms for extra income. But the men she paid \$8,000 to do the work disappeared, leaving her a gutted basement with wires dangling from the ceiling and piles of wood on the floor.

Now, with the threat of foreclosure hanging over her, she is in limbo, fighting to keep her home as she looks after her 2-year-old grandson, unable to refinance and, for the past four months, unable to make her mortgage payments.

She said she sometimes felt like going back overseas. "Life was easier," Ms. Rolon said, wiping away tears. "You had your camaraderie. You don't have that here. It's a dog-eat-dog world here."

A new program created by The [New York Times Neediest Cases Fund](#) is responding to the toll taken on people like Ms. Rolon during the surge in subprime lending and foreclosures.

The program will help dozens of families at risk of losing their homes to foreclosure from becoming homeless by awarding grants to pay for moving costs, the first month's rent and the security deposit at their new apartments and other emergency expenses. Each eligible family can receive up to \$10,000 as part of the Subprime Neediest Program.

The grants, available to homeowners as well as tenants whose landlords face foreclosure, will be awarded to families from around the metropolitan region in the next several months. The program is being funded by \$1 million from the endowment of the Neediest Cases Fund.

Jack Rosenthal, president of The New York Times Company Foundation, which administers the Neediest

Cases Fund, said the initial goal was to help about 100 families. He said the foundation was seeking contributions from the public and private sectors to assist even more families and individuals. "There are so many categories of victims here," Mr. Rosenthal said.

The recipients will be selected by the [Children's Aid Society](#), one of the seven agencies that participate in the annual Neediest Cases Fund campaign. They will first be identified for the program by the seven agencies or other housing and legal services groups.

Housing advocates, as well as city and state elected officials, describe the situation as nothing less than a crisis, with a growing number of New York homeowners who losing or in danger of losing their homes to foreclosure.

A report released in October by Senator [Charles E. Schumer](#), Democrat of New York, found that out of more than 364,000 outstanding subprime loans held by state homeowners, more than 20 percent would end up in foreclosure by the end of 2009.

In some neighborhoods of the city, the numbers of foreclosure filings have more than doubled in recent years, according to housing data analyzed by the Furman Center for Real Estate and Urban Policy at [New York University](#).

As of October, in the Jamaica and Hollis sections of Queens, there were 609 foreclosure filings for two- to four-family properties in 2007, up from 223 in all of 2004. In Bedford-Stuyvesant, Brooklyn, the filings in 2007 increased to 616 as of October, from 327 in all of 2004.

"We are absolutely seeing a foreclosure crisis, and a community crisis and an economic crisis," said Sarah Gerecke, chief executive officer of Neighborhood Housing Services of New York City, a nonprofit group that provides foreclosure counseling and other services.

Subprime lending has grown rapidly around the region in recent years, particularly in minority neighborhoods. Subprime mortgages, made to people with poor credit ratings or low incomes, have allowed many families to buy their first homes, but have also left many others in financial ruin, after they were lured into borrowing more than they could afford or struggled with the payments on complex mortgages they did not understand.

The situation has upended the very definition of the needy, as working-class families in tree-lined, middle-class neighborhoods go from being homeowners to homeless in a matter of months. The transition comes not only as a psychological and emotional shock, but a financial one, too. Ms. Gerecke said families at risk of foreclosure often exhausted their savings to pay their monthly mortgage costs and maxed out their credit cards to pay for everything else.

"I have met families who have left their homes and attempted to go to a homeless shelter because there was nowhere else to go," she said.

Ms. Rolon has accumulated nearly \$14,000 in credit card debt. An upstairs tenant pays \$500 rent, and Ms. Rolon was hoping to rent out two rooms in the basement for \$800 each before the workers disappeared. Her expenses, including her mortgage, are about \$5,800 a month.

“It’s a classic case of greed,” said State Senator Jeffrey D. Klein, a Democrat who represents parts of the Bronx and Westchester County and whose office has been assisting Ms. Rolon. “Here is someone who served her country with distinction, came back, wanted to take part in the American dream of owning a home, and she was subject to a very unscrupulous mortgage broker.”

Stephanie De Felice, 61, moved into an apartment in a two-story house in Poughkeepsie in 2006. Her rent was about \$1,000 a month, and though she had reservations about the safety of the neighborhood, her first-floor apartment was spacious and had a pretty stained-glass window.

A few months ago, a man came to her door and handed her court documents that said a foreclosure proceeding had been filed on the house. She had no idea her landlord was in financial trouble.

“It’s horrible,” said Ms. De Felice, who has since moved into an apartment nearby after receiving help from [Catholic Charities](#) in Poughkeepsie. “It’s horrible. Me being alone. When you don’t have family, it’s even worse.”

One recent afternoon, she returned to her old apartment on Fox Terrace to collect some of the artwork she had painted over the years. She moved around the apartment slowly; after undergoing several operations on her spine, Ms. De Felice cannot stand or walk for very long.

She works part time at a home in the Bronx for autistic people, making about \$700 a month. With the pension from the telephone company where she worked for 21 years set to soon decrease, she worries about making ends meet. She already is behind on her utility bills to Central Hudson Gas and Electric.

Ms. De Felice is seeing a therapist to treat depression.

“It’s hard to be back here,” she said, sliding her paintings into duffel bags. When she walked back outside, she passed a large “For Sale” sign in the grass.