

# Merrimack Valley

## *housingreport*

An e-publication of UMass Lowell and the Middlesex North Registry of Deeds



University of  
Massachusetts  
Lowell

MIDDLESEX NORTH  
REGISTRY OF DEEDS

### Volume 4, Issue 7 July 2011

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## Local CDCs Working to Reduce Foreclosures and Pick up the Pieces

By Emily Vidrine

As the foreclosure crisis rolls onward, various responses have emerged both on the national and local level. The federal government and state governments have financially supported foreclosure prevention and redevelopment of foreclosed and abandoned buildings; intermediary nonprofits such as NeighborWorks have worked to support capacity building of housing organizations, foreclosure counseling, and other community development goals; and on-line communities as well as grassroots groups have resisted wrongful evictions, fought for new legislation, and put the spotlight on bad banking practices. Other responders to the foreclosure crisis are Community Development Corporations (CDCs), who are working at both ends of the foreclosure pipeline, preventing the ones they can and picking up the pieces of the rest. A recent piece of research that I conducted highlights the locally-based responses of CDCs in eastern Massachusetts.<sup>1</sup>

CDCs emerged all over the U.S. as nonprofit organizations in the 1960s and 1970s. They serve mainly low-income and poor populations, and their focus has been on affordable housing (92% in the northeast region of the U.S.)<sup>2</sup>) as well as other areas like commercial and industrial development, business development, job creation, and community building. In response to the foreclosure crisis in Massachusetts, CDCs have focused mainly on purchase and rehabilitation of foreclosed properties and on foreclosure prevention. I had the opportunity to interview three CDCs in the area.

Coalition for a Better Acre (CBA) in Lowell, MA has focused mainly on foreclosure prevention and redevelopment of foreclosed properties as a means of reducing the negative impacts of foreclosure in the Lowell community.

## Deeds, Mortgages, Foreclosures and Orders of Notice Recorded

June 2010 and June 2011 compared

	Haverhill		Lawrence		Lowell		Methuen	
	June-10	June-11	June-10	June-11	June-10	June-11	June-10	June-11
Deeds	112	103	125	78	162	140	93	88
Mortgages	149	123	135	79	224	173	165	130
Foreclosure Deeds	8	15	24	22	29	22	9	12
Orders of Notice	21	7	21	32	29	30	11	17

Free foreclosure counseling services are provided through the Home Preservation Coalition, a federally funded partnership between Community Teamwork Inc. and CBA. At the other end of the foreclosure pipeline, CBA has worked tirelessly to redevelop foreclosed properties into affordable housing using federal funding made available through the Neighborhood Stabilization Program. Lawrence Community Works (LCW) in Lawrence, MA has responded similarly to CBA. The organization provides free foreclosure counseling and has focused on the redevelopment of foreclosed properties as a post-foreclosure strategy.

Chelsea Neighborhood Developers (CND) in Chelsea, MA has focused intensely on redevelopment of foreclosed properties in response to the crisis. CND's strategy is to show long-term investment in the community by purchasing, redeveloping, and maintaining long-term ownership of its properties. CND has observed that a certain level of community investment in a neighborhood has habitually led to other

community members also investing in their homes and neighborhoods, leading to an overall improvement in the local housing market.

Though the connection to foreclosures is less direct, other efforts put forth by CDCs such as community building, homeowner education, and other real estate development projects also help support healthy housing markets. 

1. Vidrine, E. (2011). Community Based Responses to the Foreclosure Crisis: A Focus on Community Development Corporations in Massachusetts. [http://www.uml.edu/community/MV\\_Housing/docs/Vidrine2011CommBasedResponses.pdf](http://www.uml.edu/community/MV_Housing/docs/Vidrine2011CommBasedResponses.pdf)

2. National Congress for Community Economic Development (2005). "Reaching New Heights: Trends and Achievements of Community-Based Development Organizations." 5th National Community Development Census. <http://www.nccd.org/documents/NCCEDCensus2005FINALReport.pdf>

For more on foreclosures and affordable housing in the region, visit [www.uml.edu/community/MV\\_Housing/Publications\\_and\\_Resources.html](http://www.uml.edu/community/MV_Housing/Publications_and_Resources.html).

## Mid-Year Real Estate Report

*By Richard P. Howe Jr.*

Early July provides us with a good opportunity to consider mid-year housing statistics for the Greater Lowell region. When compared to the first six months of 2010, January through June of 2011 gives a mixed message. For the entire registry district (consisting of Billerica, Carlisle, Chelmsford, Dracut, Dunstable, Lowell, Tewksbury, Tyngsborough, Westford and Wilmington), the number of deeds recorded during the first half of 2011 was down by 11% when compared to the same period in 2010 (2399 in 2011 v 2698 in 2010) and the number of mortgages recorded was down 3% (5210 in 2011 v 5374 in 2010). On a better note, the number of foreclosure deeds recorded was down 41% (202 in 2011 v 345 in 2010) and the number of orders of notice was down by 40% (393 in 2011 v 655 in 2010).

Because the city of Lowell is demographically unique in the Middlesex North District, its statistics should be

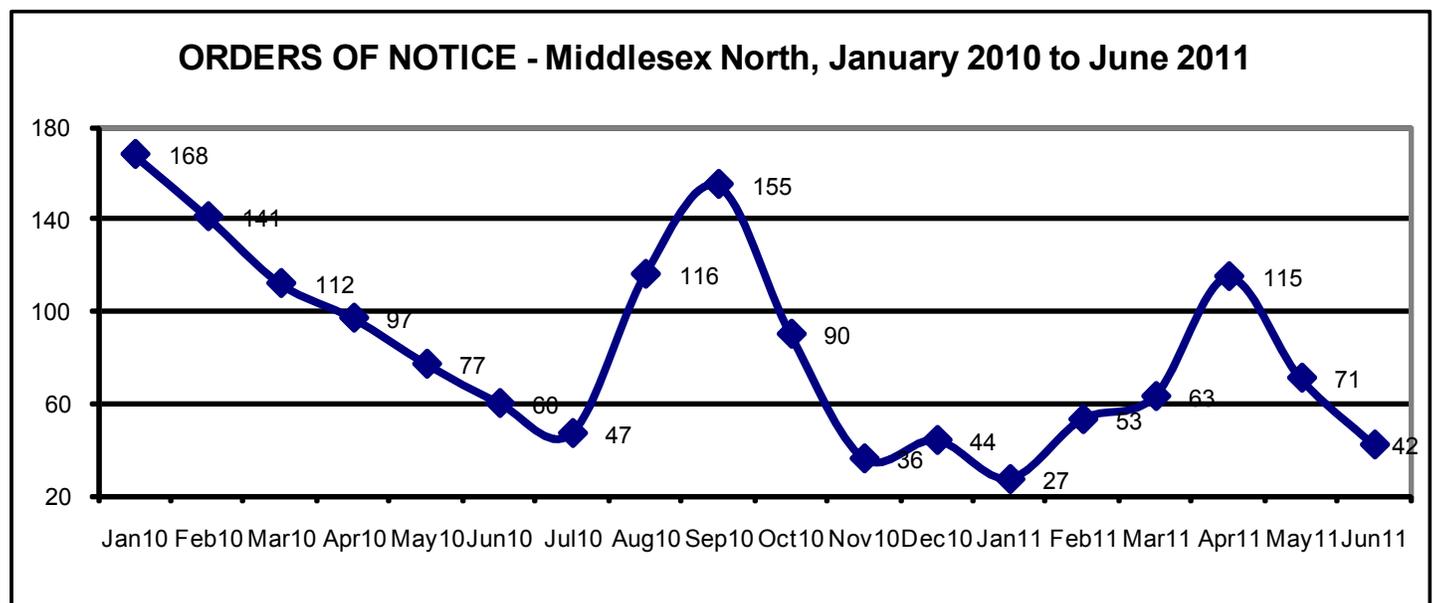
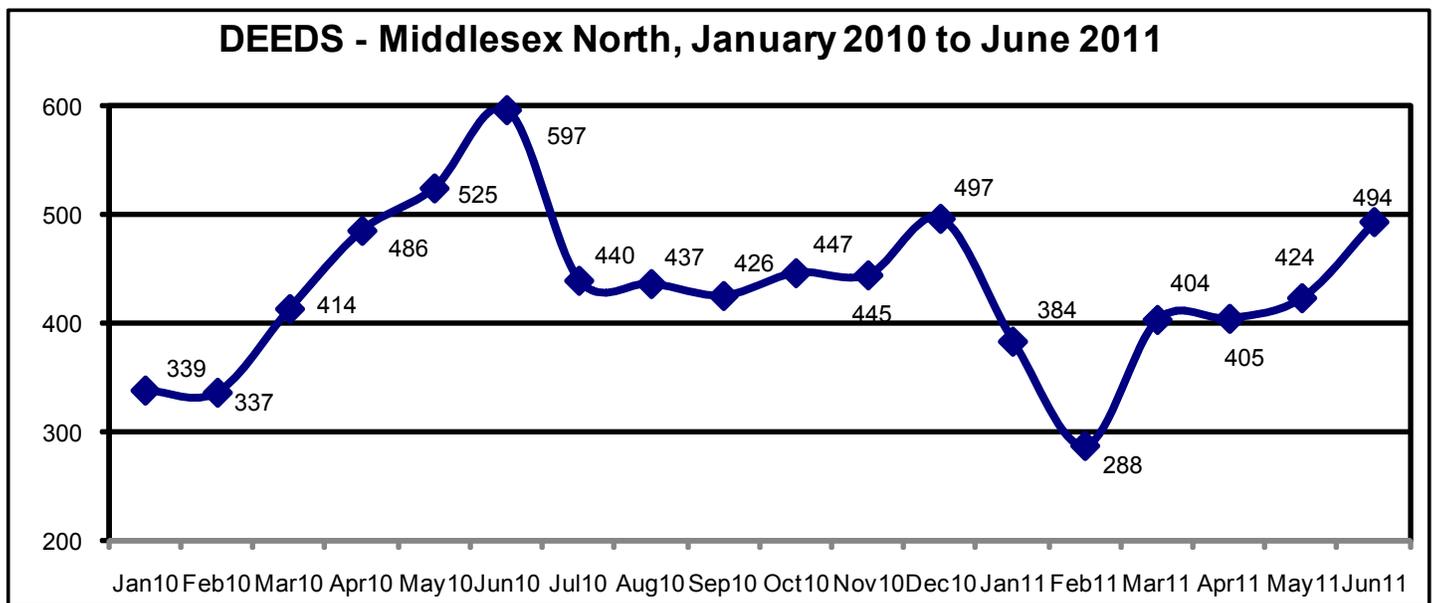
examined separately. With a drop of 19%, deeds from Lowell were down at a greater rate than for the district as a whole. In the first half of 2011, there were 692 Lowell deeds recorded; for the same period in 2010 there were 853. Mortgages were down by 6% for the city, with 1049 in 2011 compared to 1120 in 2010. The drop in city foreclosures, however, exceeded the district-wide decline. Foreclosure deeds were down 44% (107 in 2011 v 190 in 2010) and orders of notice were down 46% (168 in 2011 v 314 in 2010).

While it is useful to make these month-to-month comparisons, they can be somewhat arbitrary. Foreclosures this month might be substantial, but if foreclosures in the same month a year ago were astronomical, this year's statistics would show a steep decline in foreclosures, perhaps giving a false sense that things are better than they really are.

To provide a better sense of the flow of real estate related documents, I have provided the following two charts: one is for deeds; the other for orders of notice. Both show recordings of these documents on a monthly basis for the past eighteen months. The deeds chart shows a slight improvement in volume during the period covered with a series of short-lived peaks and valleys interspersed. The order of notice chart shows a somewhat downward trend in new foreclosures, but that gradual decline was broken twice by rapid spikes

in new foreclosure filings, once in the early fall of 2010 and again in the early spring of 2011.

So we have the same numbers yielding two different conclusions about the state of the real estate market depending on how they are organized. The lesson, I suppose, is to look at numbers in multiple ways, not just in the manner that provides the result the viewer finds most desirable. █



## First Time Homebuyer Seminar

*By Cathy Dyl*

Buying a home is a major component of the American Dream. It's also a complicated and nerve racking process. As a result, the Steps to Homeownership seminar was established about 20 years ago to educate first time home buyers on the entire home buying process from start to finish. The seminars promote responsible and affordable homeownership. We believe that a well-informed home buyer becomes a successful home owner!

The seminars are taught by experienced professionals in their respective fields. This includes a Mortgage Loan Officer, Realtor, Lawyer, Home Inspector, Credit & Budgeting Counselor and representatives from affordable housing agencies/non-profits. These volunteer speakers understand that this is a forum to educate and not an opportunity to solicit business. The seminar usually consists of 4 separate classes that total 10 hours of instruction. The curriculum includes the following topics:

- o Affording your home
- o Making sure you keep your home
- o Choosing the right Realtor
- o Understanding legal issues
- o Down payment and closing cost assistance
- o Getting a home inspection
- o Understanding your mortgage options
- o Winning a housing lottery

The Steps to Homeownership seminars are certified by the Massachusetts Homeownership Collaborative. Certificates are issued to each student who completes the seminar. The certificate is required for home buyers who obtain certain first time home buyer mortgages and community down payment assistance.

The seminars are given every month in varying locations on the North Shore and Greater Lowell area. They are held during evening hours and are opened to all. There are no tests or other qualifications for prospective students who would like to attend the class. Students are charged a total of \$50 per household. BUT – it's free for CTI employees.

We expect to have about 250 students complete the seminars this year. These seminars are advertised on [www.chapa.org](http://www.chapa.org) as well as the CTI website. Many of the students that attend the seminar have won a housing lottery. Other students learn, for the first time, about the availability of money from various communities to help home buyers with their down payment and closing costs. Even students who have already signed an Offer To Purchase on a home welcome the information and manage to learn something new. 📌

Contact Cathy Dyl at x5614 or [cdyl@comteam.org](mailto:cdyl@comteam.org) if you have any questions.

### Looking to Showcase Your Vacancy or Looking to Move?

**Community Teamwork Inc. (CTI) developed a new website designed to help landlords showcase their vacancies, and tenants to easily find them. This free service is offered throughout the Merrimack Valley and the North Shore.**

**[www.nearlistings.org](http://www.nearlistings.org) or contact Avi Glaser at [aglaser@comteam.org](mailto:aglaser@comteam.org)**

The *Merrimack Valley Housing Report* is published by UMass Lowell and the Middlesex North Registry of Deeds

Richard P. Howe Jr., Editor  
[Richard.Howe@sec.state.ma.us](mailto:Richard.Howe@sec.state.ma.us)

David Turcotte, Editor  
[David\\_Turcotte@uml.edu](mailto:David_Turcotte@uml.edu)

Emily Vidrine, Research Assistant /Writer  
[Emily\\_Vidrine@student.uml.edu](mailto:Emily_Vidrine@student.uml.edu)

Joann Vaillette, Publication Assistant  
[Joann\\_Vaillette@student.uml.edu](mailto:Joann_Vaillette@student.uml.edu)

Center for Family, Work, and Community  
University of Massachusetts Lowell  
600 Suffolk Street, First Floor South  
Lowell, MA 01854  
Tel. (978) 934-4682  
[www.uml.edu/mvhousing](http://www.uml.edu/mvhousing)

This project is funded in part by the Office of the Chancellor and the Office of Outreach. UMASS LOWELL

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