

NEIGHBORHOOD HOUSING SERVICES OF CHICAGO  
HOME OWNERSHIP PRESERVATION INITIATIVE UPDATE MEETING  
FEDERAL RESERVE BANK OF CHICAGO

Chicago, Illinois  
December 7, 2004

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**Perspective of the Federal Reserve on HOPI**

I am once again pleased to host our friends from Neighborhood Housing Services and all of the partners in the Home Ownership Preservation Initiative (HOPI). I'm glad we can discuss some of the important work you do, and explore ways that others might get involved.

The Federal Reserve Bank of Chicago has worked closely with Neighborhood Housing Services (NHS) of Chicago for many years. In 1996, NHS contributed significantly to an initiative the Chicago Fed launched, the Mortgage Credit Access Partnership (MCAP), an informal but resolute association of about 100 organizations. And under the auspices of MCAP, NHS partnered with the Department of Housing and some concerned mortgage lenders and servicers to formulate the Foreclosure Intervention Program, which eventually gave rise to HOPI.

The HOPI has been an ambitious, and so far very successful, effort under the leadership of NHS of Chicago. I'm certainly gratified to hear that the goals laid out here in early 2003 are well on their way to being realized. It now stands as a model for other cities to adapt. And fortunately, this is getting recognized nationally. For example, the Neighborhood Reinvestment Corporation (NRC)—which is the umbrella group for NHS Chicago and the other NHS's across the country—recently created the Center for Foreclosure Solutions. This research and development center will bring together non-profits, city governments, and mortgage industry players to examine the lessons of HOPI and prevent foreclosures in other cities by implementing successful strategies.

Additionally, other Federal Reserve Banks have followed the progress of HOPI and efforts are under way to adapt the program to other cities. The Federal Reserve Bank of Cleveland and NRC are planning a meeting on foreclosure issues in Ohio in February. Other Federal Reserve Banks—including

Philadelphia and Minneapolis, which are represented here today by Marvin Smith and Richard Todd—are also actively engaged in partnerships to address foreclosures.

The NRC, NHS Chicago, and other NHS's across the country serve as an example of what can be achieved when you aren't afraid to think big, and believe and commit to a goal. They have succeeded through holistic thinking and well-crafted, strategic partnerships. That is most certainly the record here in Chicago. It's my sincere hope that the HOPI model will serve as a productive tool for organizations around the country to stem foreclosures and stabilize communities.

And now, it is my privilege to now introduce the Honorable Richard M. Daley, Mayor of Chicago. Mayor Daley has demonstrated an unwavering commitment to addressing foreclosures in Chicago. I think that Bruce and everyone else associated with NHS are aware that the organization's success addressing foreclosures would simply not have been possible without the support of the City of Chicago. Mayor Daley, Jack Markowski and his predecessors at the Department of Housing have been willing listeners, creative thinkers, and active partners with NHS in addressing the important goals they have crafted together. Mayor Daley identified foreclosure prevention as a top priority to the US Conference of Mayors in 2003, and through innovative programs like the 311 help line, and support of NHS, he has made Chicago a national leader in addressing the issue. Please welcome, Mayor Richard Daley...