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## Land Trusts a practically foreclosure-free housing solution Community Land Trust Homes Foreclosure Survey

A survey of Community Land Trust (CLT) organizations across the United States was released in March by the National CLT Network. Out of 3,115 CLT homeowners covered by the 2007 survey, two foreclosures were reported (a 2007 foreclosure rate of .06 %).

By comparison, in the 4th quarter of 2007, the annual rate for all U.S. mortgages was 2.0%, with some areas of the country running as high as 3.4%.

Oregon 4<sup>th</sup> quarter foreclosure statistics from the Mortgage Bankers of America survey show the subprime impact is being felt strongly:

- 5,400 homes in foreclosure, 2,200 prime loans and 3,200 sub prime loans
- A 6.9% increase in prime loans in foreclosure during the 4th quarter
- **A 28% increase** in sub prime loans in foreclosure during the 4th quarter—that's a **higher % increase than the national average increase of 23.1%**
- Nearly **1 in 25 Oregon sub prime loans** being serviced were in foreclosure during the 4th quarter—12 times the rate of Oregon prime loans in foreclosure

To put this all in context: In recent stable years, foreclosure rates for all U.S. mortgages have run a little over 1%. For instance: 2003 - 1.3%; 2004 - 1.1%.

The CLT foreclosure rate of 0.06% compared to the 2.0% crisis level, and even the rates from more stable years, is striking evidence that the CLT method of homeownership is a safer way to help families become homeowners and remain homeowners. Community Land Trusts have insulated their homeowners from the “too-good-to-be-true” refinancing craze that is taking down so many low- and moderate-income American families. Vacant, foreclosed homes attract crime, lower surrounding real estate values, and devastate families and neighborhoods.

### **What are Community Land Trusts (CLTs)?**

CLTs are typically nonprofit, community-based organizations committed to the stewardship and permanent affordability of housing and land. There are over 175 CLTs in 42 states. The National CLT Network is the membership association for these organizations. See [www.cltnetwork.org](http://www.cltnetwork.org) for more information.

Between CCLT and Portland Community Land Trust, there are over 100 land trust homes in the Portland area. See [www.clackamasclt.org](http://www.clackamasclt.org) for more information on CCLT.



## Clackamas Community Land Trust

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### **How could CLT homeowners fare so much better than other home owners?**

Most first-time homebuyer programs leave the new owners completely on their own after the sale. CLT homeowners benefit from a continuing relationship with their CLT shared-equity partner. Under the CLT model:

- Homeowners buy their homes below the appraised value so there is a substantial cushion if real estate values fall;
- Only standard, no-nonsense mortgages are permitted (Fannie Mae guidelines);
- Through the ongoing relationships, if financial difficulties arise, the CLT is there to help;
- Owners can refinance, but only with permission of the CLT and only for approved reasons through approved mortgages;
- CLT homeowners have a partner to help them learn the ropes and avoid mistakes that many first-time home buyers make.

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