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Beatriz Haro took advantage of a program that her employer, Otto, provides in which the company president, Tom Roeser, buys and fixes up foreclosed homes and offers them for sale to employees and others under affordable financing terms. Ms. Haro, a consumer service employee at Otto, bought one of the homes. She is at home with her children (l to r on porch) Michaelangelo, 6, Krystal, 12, and Matthew, 4, on Thursday, August 18, 2011 in Carpentersville. | Richard A. Chapman~Sun-Times

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Beatriz Haro loves making dinner for her three children and their friends who regularly gather at her Carpentersville home.

It's a 1,090-square-foot house with a big yard that the single mom bought through a program run by her employer, OTTO, a 50-year-old manufacturer of high-precision electrical controls and accessories.

"We are in a very friendly neighborhood, and our house is the go-to place for everyone," said Haro, 30, who has worked in OTTO's customer service department for 9 years. "I wanted a house so that my kids could have a

nice and stable environment.”

Haro bought the \$146,000, three-bedroom home, whose yard and family-room addition caught her eye, in June. She obtained a 7 percent interest rate that allows her a \$1,195 monthly mortgage payment. She is working to improve her credit score so she can get a more favorable interest rate next year.

Haro enjoyed neighbors' welcoming house calls because her house is one of 80 formerly foreclosed and abandoned single-family homes and town houses that OTTO has bought, gut-renovated and outfitted for sale. Of those, 20 have been sold.

OTTO President Tom Roeser said the program, called Homes By OTTO (HomesByOtto.com), brings no profits to OTTO or to him personally.

“If I fix up a house next to your house, you will have hope,” said Roeser, 59, who freely voices his opposition to what he believes are unnecessary government regulations. His father, John O. “Jack” Roeser, the company chairman, radio talk-show host and founder of the conservative Family Taxpayers Network, started OTTO 50 years ago and moved it from Morton Grove to Carpentersville in 1968. Tom has been president for 25 years.

OTTO provides short-term financing to eligible buyers, and Kane County provides interest-free loans up to \$20,000 to qualified buyers — both efforts to help people who otherwise might not be able to buy the homes.

Research shows sobering reasons for keeping homes out of foreclosure and abandonment: Violent crime increases and property values drop in neighborhoods pocked with foreclosures, according to the Woodstock Institute of Chicago and the Furman Center for Real Estate and Urban Policy at New York University. In the Chicago region, one in every 403 homes was in some stage of foreclosure in July — a 50 percent drop from July 2010, according to the latest data from RealtyTrac.

Tom Roeser, an engineer with a University of Chicago master's degree in business administration, has also overseen the multimillion-dollar renovation of historic buildings on either side of the Fox River that serve as OTTO's manufacturing buildings, and three other buildings that frame the downtown district.

“I'm a good businessman who says I couldn't let my town fall into disrepair,” he said, refusing to label himself a philanthropist. “I'm doing this because it's smart.”

Roeser started the housing initiative six years ago. In August, Chicago and federal officials started touting solutions of their own. Mayor Rahm Emanuel announced a program to leverage nonprofit and private capital to bring new owners into 2,500 foreclosed homes in nine hard-hit neighborhoods. And Emanuel has indicated he will sign a City Council ordinance that would make mortgage servicers liable for a vacant property's upkeep. The Obama administration announced it is seeking ideas through Sept. 15 for shrinking the number of foreclosed properties held by Fannie Mae and Freddie Mac, including converting the foreclosed homes into rental homes.

In 2005, Roeser started purchasing abandoned town houses where gangs had started squatting, ultimately owning 69 of them and renting them to OTTO employees or people whom the employees referred. A two-bedroom rents for \$650, and a three-bedroom for \$700 a month.

Three years ago, Roeser started buying foreclosed homes in the Meadowdale community, buying each for \$50,000, investing \$100,000 into their renovations, and selling them for about \$150,000 apiece.

Besides the housing help, OTTO offers its 530 employees classroom instruction in blueprint reading, math skills, GED preparation and English-as-a-second language classes aimed at improving reading and writing proficiency.

Carpentersville Village Board President Ed Ritter sees a reflection of OTTO's precision and mission-critical technology work in Roeser's dedication to preserving historic buildings and upgrading the surrounding landscape.

“Tom could have knocked down either of the turn-of-the-century, 1890s-era buildings and put up a factory for half of the money, but he completely restored them, including the woodwork, and turned the whole area into a park-like setting,” Ritter said.

OTTO is itself a well-kept secret. The company, profitable for 49 of its 50 years, designs, tests and manufactures precision-performance systems such as the stealth fighter plane’s cockpit control stick, police officers’ two-way radio microphones, accessories for Secret Service agents’ earphones and the push-to-walk button on a traffic-control signal. The company, whose customers include Deere, Caterpillar and the military, competes against the likes of Eaton, Honeywell, Illinois Tool Works and Motorola by paying attention to details such as paying suppliers on time, reacting immediately to customer problems and taking a long-term approach to investments and research-and-development, Roeser said.

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