



Losing Home—Immigrant Families’ Path Through Foreclosure and Beyond



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NEW YORK—More than a year after signing it away, John Cuartas, a 51-year-old Colombian immigrant, still visits the home his family lost to foreclosure.

Like many New Yorkers affected by the foreclosure crisis, Cuartas now lives only a short distance away from the property he still grieves for.

“Sometimes when I pass by the house I get melancholic, and I stand there and stare at it,” said Cuartas. “And I remember how hopeful I felt when they put those keys in my hand. I think to myself, ‘I wonder who lives there now.’”

For three years, between 2006 and 2009, it was Cuartas, along with his wife, daughter and two

school-age grandchildren, who lived in the house on a street of brick and whitewashed clapboard homes in Woodside, Queens. At first they were happy— Cuartas, who works at the cheese counter of a gourmet supermarket, said the family had never dreamed they would have their own home in the United States.

But soon the large mortgage payment, fixed at \$5,700 monthly, proved too heavy a burden— even when split between three working adults.

In the autumn of 2009, to head off foreclosure, Cuartas and his wife Lucrecia Duque sold for a loss of \$180,000 (they had bought the property for \$730,000 in the summer of 2006, the housing bubble's peak).

But their losses went much further than that. Their ill-fated home purchase and the stress of having to move into it and out of it wrecked their savings, their credit, their peace-of-mind, optimism— and their basic faith in the American economy.

“We call it our American nightmare,” said Cuartas.

And Queens, where Cuartas still lives, appears to lead the city in creating the conditions for real estate nightmares of this type. In the years from 2007 to 2010, there have been 60,263 initial foreclosure filings in New York City, with Queens leading New York's five boroughs every year in number of filings, according to the Furman Center for Real Estate and Urban Policy. Queens had 25,610 filings in the four-year period.

But the reason has nothing to do with Queens homeowners being less financially responsible than others in the city.

Queens neighborhoods are full of suburban-style houses with a patch of lawn and a private parking space, which, unlike Manhattan-style residential towers, tend to be bought by ordinary working- and middle-class families without Donald Trump-scale financing. When the foreclosure crisis hit, it settled with particular fury on Queens.

“Queens is the neighborhood with the highest density of single-family and multi-family homes and consequently it's the borough hardest hit by foreclosures,” said Mike Hickey, executive director of the Center for New York City Neighborhoods. For similar reasons, added Hickey, “Brooklyn is not far behind.” Brooklyn saw 21,093 initial foreclosure filings in the period.

“Foreclosures have hit like a tsunami,” said Arnold Higuera, a Century 21 real estate broker in Queens for 15 years. “It will be at least two years before the storm passes.”

Queens Latino and New America Media teamed up to trace the paths of three Latino immigrant families who lost their homes in the city's foreclosure crisis.

All three families agreed to speak about what they lived through so that others might learn from the mistakes they made.

“We took a beating,” said Lucrecia Duque, who arrived in the United States, also from Colombia, nearly 40 years ago.

The cost of this experience can't be accounted for simply in terms of dollars and interest rates. The long foreclosure process takes a heavy emotional toll on a family.

As unpaid mortgage bills pile up, the strain and stress also build. And once the family home is gone, the feeling of loss can be intense. So can feelings of anger, shame, and regret.

“People go through a kind of grieving process. They go through all the classic stages,” said Cathleen Clements, director of legal advocacy for the Children's Aid Society, a New York nonprofit helping families affected by foreclosure.

Missing 'la casita'

Like a man still raw about a tragedy, Wilfredo Gelpí, Sr. tries to avoid the subject. But every so often, he acknowledges, he and his wife still speak nostalgically about the house—they call it “la casita”—that they owned for 10 years in the Jackson Heights section of Queens.

The Gelpís—Wilfredo is from Puerto Rico, his wife Carmen from Colombia, both are in their fifties—lost their home last year. They had refinanced one too many times in order to underwrite investments—including a second home in Miami that would also be foreclosed on.

“We learned our lesson,” said Carmen Gelpí.

Like Cuartas and Duque, the Gelpís were able to sell their Queens home in a bank-approved “short sale.” This type of transaction allows borrowers in trouble on their mortgage to avoid foreclosure by selling the house for less than the outstanding value of what they owe, with the bank agreeing to absorb the difference in order to get the non-performing loan off their books.

So, the Gelpís were able to walk away, but with their credit damaged, and their savings depleted. Like many families affected by foreclosure, they turned to close family for support. For the rest of 2010, while they picked up the pieces, Gelpí—who works in building maintenance— and his wife lived together with their son in his roomy rental apartment in College Point, Queens.

Then, with the new year, the Gelpís began to look for their own rental and found one near the Whitestone Bridge that spans the Throgs Neck narrows dividing Queens from the Bronx— a location far less desirable than where they once lived, but more affordable.

“Imagine how hard it was, having to go live with my son, at my age, and then look for a new place,” said Wilfredo Gelpí, Sr.

What's worse, rent is expensive enough now at \$1,050 a month that the prospect of saving seems daunting.

Despite the terrible year he's had, Gelpí retains his sense of humor. On the day he was to move into

the new apartment, the city was still blanketed in several feet of snow from a winter blizzard.

“I didn’t even get a break on the weather,” he laughs.

All three families interviewed for this article had a sensation of slipping backwards in time, of foreclosure pushing them into living situations they had not expected to return to, especially not so suddenly.

Cristián Rodríguez, a 38-year-old Argentine immigrant, had to give up the house he and his wife Fatima Pérez bought in Brooklyn in 2004.

A couple of years after buying his house, Rodríguez opened his mortgage bill and found that his variable rate mortgage, a loan type notorious for causing foreclosures, had jumped from \$2,000 to \$4,000 in monthly cost. The home in Ocean Hill, where he lived with his wife and son, suddenly seemed wholly unaffordable.

“We were taken in by how easy they made it seem for us to buy a house,” said Rodríguez. “We were happy at first, but that was brief. It was all bitterness and frustration after that.”

Like the Cuartas and the Gelpís, Rodríguez unloaded the property in a short sale. He misses his old home, and his quality of life has been eroded. What’s worse, early in 2011 he lost his job distributing newspapers.

‘I don’t have a plan B’

For many families displaced by foreclosure, however, a financial domino effect leads many into terrible fiscal straits that might have been avoided had they managed their exit more wisely, said Hickey, the CNYCN director.

“There’s a difference between leaving in bad shape, or leaving essentially in okay shape,” he said.

Planning in advance to minimize disruptions caused by the foreclosure process is essential, Hickey added. Those at risk should use the free help offered by the city government-endorsed CNYCN through its dozens of neighborhood partners citywide.

However, Hickey acknowledges that there’s a vacuum when it comes to counseling and other services tailored specifically to resettling families who lose their homes after failing to pay their mortgages. And renters, who often are forced to leave longtime apartments or homes when their landlords are foreclosed on, also need this type of help.

“Much, much more should be done,” Hickey said.

For homeowners fighting to keep a home, the day-to-day battle is so all-consuming that they often feel they don’t have time to think of life beyond their current home.

Muriel Garvin, 54, who has been battling a bank in the courts to keep her home in Jamaica, Queens,

said she hasn't planned yet for the worst-case scenario: losing her home.

"I don't have a plan B," said Garvin, a city employee in the Administration for Children's Services.

In many cases, those affected by the real estate crisis live in an anxious state of limbo, not knowing what may happen next. Alex Rodríguez, 38, a taxi driver, and his 41-year-old wife Blanca Tafur received their initial foreclosure notice on their home in Corona, Queens two years ago.

"One of these days, they'll tell us we have to leave the house, and we'll have to go rent somewhere," he said.

The Children's Aid Society is the only organization in New York that administers a post-foreclosure relocation fund to help families devise and execute such a "Plan B."

The fund, made possible by grants from The New York Times Foundation, helps homeowners and renters alike. It focuses on families affected by subprime mortgages—loans made to borrowers with low credit scores who were likely to have difficulty making payments.

As of January 2011, the Children's Aid Society had helped relocate 107 families pushed out of their homes due to foreclosure filings, with an average of \$4,500 in relocation funds given to each family. Most families choose to relocate within the same school district so as to minimize the impact on their children, said Jessica Schachter, manager of the society's Housing Stability Resource Center.

Homelessness is a risk for many families, but despite the need and benefits of such a program—which is much more cost-effective than housing in homeless shelters—there are no other organizations doing this type of work in New York City, she added.

"I think there's a huge gap there," said Schachter. Noting that her own organization's funding for the program is limited, she added, "I don't know who's going to carry on with this effort."

Moving on

With or without help, many families burned by the foreclosure crisis are already re-building their lives. For over a year now, Cuartas and Duque have lived in a cheery rental apartment with beige wall-to-wall carpets and a spacious living room.

True to the family's roots in tropical Colombia, Duque has arranged a centerpiece on the dining room table fashioned from pineapples, bananas, and oranges—despite the frigid weather outside.

The home is cozy, and on his day off, Cuartas lounges around watching Univision in gold-framed eyeglasses and a souvenir T-Shirt that reads, "Antioquia, Colombia."

Duque's job offering daycare services to working mothers has been unsteady ever since the economy bottomed out (part of the reason the mortgage proved so impossible). But she puts a good face on the situation and devotes herself to her grandchildren.

Husband and wife are still working through the financial tangle left behind by the real estate debacle. Late last year, for example, Duque made the last payment on a washing machine she had bought on credit, but was forced to leave behind at the house in the rush to sell it. Cuartas, for his part, still sees a trace of his three years of financial scrambling in the large credit card bills he pays down each month.

The neighborhood isn't as nice as what they had to leave behind: their building is sandwiched between the Brooklyn-Queens Expressway and a physical rehabilitation center. There's no yard now. Long gone are the slide and swings that Cuartas had built for the kids behind the old house.

But things could be worse. Family unity didn't suffer. Their daughter and grandchildren moved into an apartment down the hall, on the same floor, so even after losing the home they all shared together, the family has managed to stay nearly as close.

The grandchildren, a boy and a girl, drift in and out of the grandparents' apartment every afternoon after school.

Certainly, Duque and Cuartas feel relieved to be free of the burden that ruled their lives for so long: the monster monthly mortgage payment. "The tossing and turning at night, wondering where the money was going to come from. That pressure at least is gone," said Duque.

There is one reminder, however, that dreams of home ownership aren't given up easily—rooted as they are in human nature's craving for security and stability. Their granddaughter's dollhouse, with its violet roof, miniature furniture, and tiny doorknobs, dominates one corner of their living room.

At one point Cuartas, sitting at the dining room table, declares that they would have been better off if they had never tried to buy the house.

"Well," said Duque, getting up to start dinner, "let's just not think about it anymore."