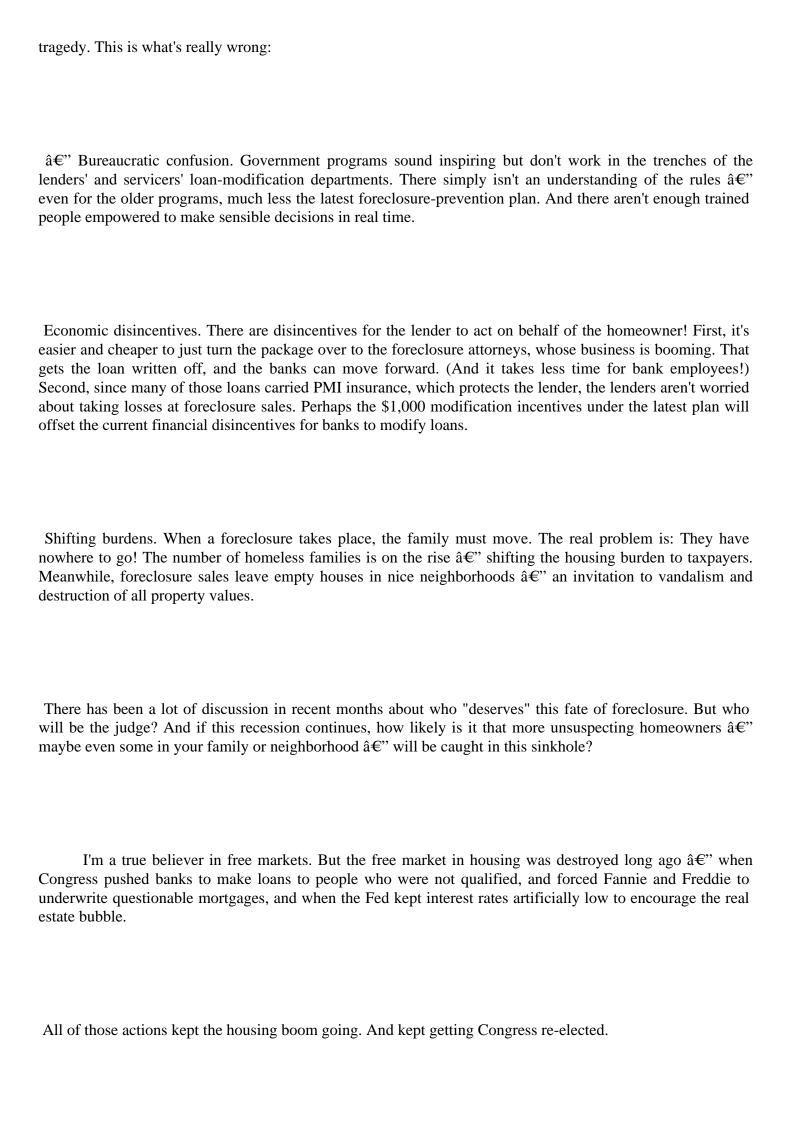
## The Savage Truth on Money: Three faces of foreclosure by Terry\_Savage Every day, more than 100 Chicago-area homeowners receive a foreclosure notice. It's an epidemic that is accelerating, with the impact spreading through all neighborhoods â€" from inner city to middle class to wealthy suburbs. Some of those foreclosures are on empty condos or subdivision houses, where "flipping" real estate seemed to be the sure road to riches only two years ago. But the vast majority of foreclosures hit young families, middle-age couples, or first-time homebuyers â€" all in shock at losing their piece of the American Dream. Some point the finger at "greedy speculators" who hoped to make a quick profit in the housing boom. Others blame mortgage brokers, who made big bucks offering quirky, adjustable-rate mortgages. Some blame the banks, which were quick to make those loans but can't be reached on the phone now that borrowers are falling behind. The Savage Truth: It's time to stop blaming and start acting sensibly. If we don't, the foreclosure crisis will forever change America. I spent last week with three families whose individual stories you can read about on my website, www.terrysavage.com. None was a real estate speculator. All three desperately wanted to keep their homes and were willing to make any sacrifice to do so. And all three were trapped in a system that found no way to assess their circumstances. One family avoided communication, out of fear. Another took on the system â€" and won. A third tried to make sense of an irrational policy that told them to fall behind so they could get ahead!

All were caught in an unfeeling and irrational bureaucracy, which is unable to deal with this tsunami of



It's time for Washington to stop blaming lenders, and borrowers, and everyone but themselves. And it's way past time to set up a sensible system that at least has a goal of keeping people in those homes until the economy turns around. And that's The Savage Truth.
Terry Savage is a registered investment adviser and is on the board of the Chicago Mercantile Exchange. She appears weekly on WMAQ-Channel 5's 4:30 p.m. newscast. Her new book, "The Savage Number: How Much Money Do You Make?" has just been published.
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