

IN THIS ISSUE

GRANTEE SPOTLIGHT: LAND OF LINCOLN LEGAL ASSISTANCE FOUNDATION

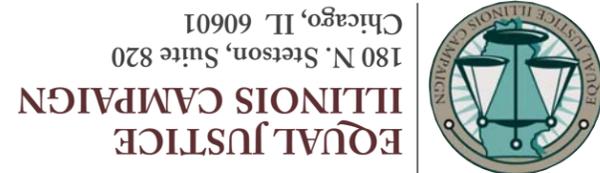
Land of Lincoln receives funding to help families keep their homes.

STATE FUNDING UPDATE

The IEJF appropriation for civil legal aid was slashed 50% in 2010. The Campaign advocates for level funding — and no more cuts — in 2011.

IEJF ANNOUNCES 2010 GRANTS

This year, the IEJF awarded \$1.67 million in grants to 14 legal aid providers across the state serving low-income families and seniors.



EQUAL JUSTICE
ILLINOIS CAMPAIGN
180 N. Stetson, Suite 820
Chicago, IL 60601

For more information, please contact:

Leslie Corbett, Executive Director
Illinois Equal Justice Foundation
180 N. Stetson, Suite 820
Chicago, IL 60601

312-938-2381
lcorbett@iejf.org

Or visit:
www.equaljusticeillinois.org
www.iejf.org



EQUAL JUSTICE ILLINOIS CAMPAIGN

SPRING 2010

GRANTEE SPOTLIGHT: LAND OF LINCOLN LEGAL ASSISTANCE FOUNDATION

Land of Lincoln Legal Assistance Foundation, Inc. provides free civil legal services to over 13,000 low-income persons and senior citizens annually in 65 counties in central and southern Illinois. Land of Lincoln's mission is to pursue civil justice for low-income persons through representation and education.

Illinois is among the top ten states for foreclosure filings and areas in the central and southern regions of the state are home to some of the highest foreclosure rates in the country. Particularly hard hit are the Danville and Decatur areas as well as the Greater St. Louis area, which includes Land of Lincoln's two most populous counties, St. Clair and Madison. According to a national study in 2009, 75% of the rural counties in Illinois are also considered areas of greatest need based on the number of delinquent loans, the number of loans in foreclosure, and the percentage of sub-prime loans.

The need is overwhelming and Land of Lincoln is only able to help a small percentage of the homeowners seeking assistance in downstate Illinois. Land of Lincoln received a grant through the National Foreclosure Mitigation Counseling Program, a congressional appropriation to support legal assistance and counseling to homeowners in danger of losing their homes. However, this funding covers only a small portion of the actual cost of providing services and does not provide support for litigation.

In March 2009, the Obama administration introduced a mortgage modification program called Making Home Affordable that provides funds directly to mortgage servicers. According to Clarissa Gaff, a housing attorney at Land of Lincoln, "the program may help many people avoid foreclosure through modification of their mortgages but the process to get a modification can be lengthy. Lenders sometimes have onerous

documentation requirements. Some lose the paperwork, ignore phone calls, and initiate foreclosure while a trial modification is in process. The Kafkaesque nightmare of dealing with mortgage servicers causes homeowners to give up."

Obtaining a loan modification is extremely difficult and time consuming – often involving more than 70 hours of work for Land of Lincoln attorneys. They provide advice about the foreclosure process and budget counseling, work out trial loan modifications, and ultimately assist clients in obtaining a permanent modification.

Minnie lives in East St. Louis but was the victim of home mortgage rescue fraud by a California-based company named National Homeowners Solutions. She is the caretaker of her invalid husband who has Parkinson's and Alzheimer's. He had been in a nursing home until their entire savings were spent and he had to return home to live. She was forced to quit her long-time job at Wal-Mart in order to take care of him. Because of the large reduction in their income, they fell behind with their mortgage payments.

continued inside...



Land of Lincoln helped Minnie recover money she lost from the fraudulent practices of a mortgage rescue company and is now working with her to secure a permanent loan modification.

ABOUT THE CAMPAIGN

The Equal Justice Illinois Campaign is a bi-partisan coalition of state leaders working to increase state funding for civil legal aid so that all Illinois residents – regardless of income – have access to the justice system. The Campaign is housed within the Illinois Equal Justice Foundation, the organization that distributes the state's annual funding for legal aid.

The legal aid system in Illinois currently operates near the breaking point. There are fewer than 400 legal aid lawyers to help the more than 1.5 million Illinois residents living in poverty. Of the ten most populous states, Illinois ranks last when it comes to legal aid funding, spending \$1.75 million compared to the average of \$12.5 million.

The Equal Justice Illinois Campaign calls on the state to maintain funding for civil legal aid so that this critical safety net continues to operate. For more information, visit www.equaljusticeillinois.org.

ILLINOIS EQUAL JUSTICE FOUNDATION AWARDS GRANTS TO 14 ORGANIZATIONS

In December 2009, the Illinois Equal Justice Foundation (IEJF) awarded \$1.67 million in grants to 14 not-for-profit organizations that provide legal representation, information and advice to low-income residents facing critical civil legal challenges throughout the state. The grants range in scope from funding for web-based legal information resources and telephone advice hotlines to mediation and full-scale litigation. The IEJF also supports legal aid programs that partner with county courthouses, public libraries and community-based social service organizations to offer help where and when people need it.

"With these grants, legal aid organizations are able to directly help some of our most vulnerable residents, including children, people with disabilities, the elderly and working families, to protect their legal rights," said Carolyn Clift, president of the Illinois Equal Justice Foundation. "Our mission is to support programs that empower people to resolve their legal issues and regain control of their lives. Last year, our grants enabled over 74,000 low-income people to receive legal assistance and provided web-based legal resources that were accessed more than 478,000 times."

The Land of Lincoln Legal Assistance Foundation and Prairie State Legal Services were awarded funds to develop four new court and library-based self-help legal information centers serving the rural poor in downstate communities. Chicago Legal Clinic and Chicago Volunteer Legal Services were awarded funding to continue their mortgage foreclosure work.

...continued GRANTEE SPOTLIGHT: LAND OF LINCOLN LEGAL ASSISTANCE FOUNDATION

She doesn't remember how she found out about National Homeowners Solutions but she did investigate them by calling the Better Business Bureau and received a clean report. Because of the good report, she sent them \$1,495 to save her home through loss mitigation. After she had sent the money, she still had questions about the process and contacted the Land of Lincoln Legal Assistance Foundation.

An attorney from Land of Lincoln investigated National Homeowners Solutions and found that their actions had violated the Illinois Home Mortgage Rescue Fraud Act. A paralegal then drafted a demand letter, advising them that it was illegal in Illinois for them to charge money before their services are completed and that their fee was nearly double what was allowable after the successful modification of her loan.

Minnie received a check for a full refund from National Homeowner Solutions via Federal Express less than 5 business days after they had received the letter. Land of Lincoln was also able to negotiate a trial loan workout plan with Litton Loan Servicing that cut her mortgage payments in half and is working to obtain a permanent loan modification.

The 50% reduction in the state appropriation this year forced the IEJF to cut eight long-standing grantee organizations from the grant list entirely. These organizations serve homeless children, seniors, domestic violence victims, immigrants, and tenants caught in the middle of the foreclosure crisis. Meanwhile, the remaining 14 grantee organizations saw their grants reduced anywhere from 20% to 79%.

The IEJF was unable to add any new organizations or projects, including one devoted to veterans benefits work, a top priority of the foundation. At a time when legal aid is needed most, these cuts will result in 37,000 fewer people receiving critical legal assistance compared to 2009.

"Our mission is to support programs that empower people to resolve their legal issues and regain control of their lives."

Below is a complete list of the 2010 grants. For more details, visit: http://www.iejf.org/grants/recipients_10.html.

2010 GRANT AWARDS

Prairie State Legal Services (Carol Stream, Waukegan, Galesburg, Peoria, Ottawa, Joliet, Batavia and St. Charles) (\$378,205)	Center for Conflict Resolution (Cook County) (\$75,000)
Land of Lincoln Legal Assistance Foundation (Alton, Champaign, East St. Louis, Carbondale and Springfield) (\$376,130)	Chicago Legal Clinic (Cook County) (\$70,000)
Legal Assistance Foundation of Metropolitan Chicago (Cook County) (\$194,000)	Chicago Volunteer Legal Services (Cook County) (\$70,000)
Coordinated Advice & Referral Program for Legal Services (Cook County) (\$189,000)	Kankakee Center for Conflict Resolution of the John R. Tate Advocacy Center (Kankakee) (\$29,000)
Illinois Legal Aid Online (Statewide) (\$114,000)	Dispute Resolution Institute (Carbondale) (\$25,000)
Equip for Equality (Chicago, Rock Island, Carbondale & Springfield) (\$110,000)	Immigration Project (Bloomington) (\$25,000)
	Cabrini Green Legal Aid (Chicago) (\$15,000)
	Southern Illinois University School of Law Foundation (Carbondale) (\$2,000)

STATE FUNDING FOR LEGAL AID SLASHED 50% IN FY 2010

The number of people in Illinois living in poverty is increasing. The economic crisis and rising unemployment numbers mean more people are joining the ranks of the poor. For the 1.5 million people struggling to make ends meet on an annual income of less than \$22,000 for a family of four, a legal problem can spell disaster.

Individuals and families in economic crisis simply do not have the resources to pay for the services of a lawyer when they are confronted by an abusive spouse demanding custody, an illegal eviction, the loss of a home due to foreclosure or the denial of special education services for a child with a learning disability.

For those who cannot afford to hire an attorney, **the legal aid system provides a critical safety net**. Not-for-profit legal aid organizations help low-income families, seniors, veterans and children with disabilities meet their basic human needs, including shelter, safety and economic stability. Legal aid attorneys are uniquely equipped to address the mortgage foreclosure crisis and to navigate the public benefits system for the increasing number of people needing these services for the first time in their lives. Additionally, economists at Colgate University and the University of Arkansas found that legal aid is the only public service that decreases domestic violence in the long-term.

With the passage of the Illinois Equal Justice Act in 1999, the state of Illinois recognized its responsibility that **"equal justice is an integral part of the general welfare"** [30 ILCS 765/5(g)]. The Act established a state appropriation for civil legal aid and formed the Illinois Equal Justice Foundation (IEJF) to distribute state funds to legal aid providers across the state. Funding for the IEJF comes from an appropriation passed through the Attorney General's Office.

In 2009, the IEJF awarded \$3.3 million in grants to 22 nonprofit organizations across the state. These programs served the critical legal needs of over 74,000 low-income people. These funds also provided user-friendly web-based legal information resources that were accessed more than 478,000 times.

The civil legal aid appropriation was slashed 50% in 2010 to \$1.75 million. At a time when legal aid is needed most, these cuts will result in **37,000 fewer people receiving critical legal assistance** than in 2009.

In 2009, the IEJF received 57% of its appropriation after the close of the fiscal year. We anticipate we will not receive any of our FY 10 appropriation until July. The results of this cash flow crisis are fewer services for those in need and increased unemployment numbers as grantees are forced to lay-off staff.

We know we are in good company when it comes to organizations reeling from the state's budget woes. **The Equal Justice Illinois Campaign is advocating for level funding for FY 11 and asks that the Illinois Equal Justice Foundation be spared additional funding cuts this year.**



EQUAL JUSTICE ILLINOIS CAMPAIGN BLUE RIBBON COMMITTEE

James R. Thompson, Co-Chair
Former Governor, State of Illinois

Philip J. Rock, Co-Chair
Former Illinois Senate President

Anita M. Alvarez, President, The Chicago Bar Association

Linda Renee Baker, Paul Simon Public Policy Institute

State Representative Patricia R. Bellock, 47th District

Clerk of Court Dorothy Brown, Circuit Court of Cook County

James Buda, Caterpillar Inc.

Robert Clifford, Clifford Law Offices

Carolyn Clift, President, Illinois Equal Justice Foundation

Philip Harnett Corboy, Jr., Corboy & Demetrio

Congressman Jerry Costello, 12th District

Joseph Dailing, Illinois Coalition for Equal Justice

Mayor Richard M. Daley, City of Chicago

State Representative Ken Dunkin, 5th District

Chief Judge Timothy Evans, Circuit Court of Cook County

Dennis Gannon, Chicago Federation of Labor

Karen Hasara, Former Mayor of Springfield

Chief Judge Janet Holmgren, 17th Judicial Circuit

Dallas Ingemunson, Former Kendall County State's Attorney

James Jenkins, Deere & Company

Judge James Knecht, 4th District Appellate Court

Patricia Reid Lindner, Former State Representative, 50th District

Attorney General Lisa M. Madigan, State of Illinois

Claire Manning, Brown Hay & Stephens

John G. O'Brien, President, Illinois State Bar Association

Bishop Thomas J. Paprocki, Archdiocese of Chicago

Jerry Roper, Chicagoland Chamber of Commerce

Jesse H. Ruiz, Drinker Biddle

State Senator Jeff Schoenberg, 9th District

David Stricklin, Stricklin & Associates

Judge James Wexstten, 5th District Appellate Court

Secretary of State Jesse White, State of Illinois