

FOR IMMEDIATE RELEASE

December 14, 2009

Contact: Tim Lilienthal, PICO, 413-537-0631

Faith Leaders Call for Reform that Keeps Families in their Homes

Decry multi-billion dollar bank bonuses as millions of families face foreclosure

WASHINGTON, DC – While President Obama meets today with executives of the nation’s largest banks, prominent clergy joined struggling homeowners from California, Massachusetts, and Missouri in front of the U.S. Treasury Department to voice an urgent call for fairness for families facing foreclosure. Telling “a tale of two holidays,” the faith leaders contrasted a bountiful celebration for bank executives who will receive billions in holiday bonuses with that of the millions of families who face losing their homes, telling of a crisis not only economic but also moral.

Following the news conference, faith leaders and struggling homeowners from the PICO National Network met with members of the White House National Economic Council where they delivered a letter signed by hundreds of clergy nationwide calling for specific reforms to hold banks accountable, keep families in their homes, and protect consumers from predatory lending.

Rabbi Jack Moline, Director of Public Policy of the Rabbinical Assembly, the international association of Conservative rabbis, told the group gathered at Treasury, “How ironic is it that many of the lenders, whether they were entrepreneurial in their motives or simply greedy, now find that the good is eluding them as well. So much is not good that it is apparent that things are not right either. To do economic justice right, means to focus on the good.”

Rev. Lucy Kolin, PICO clergy spokesperson from Oakland, CA, spoke of the anger that many Americans are feeling. “Many Americans see all too easily the immense contradiction between the record profits that Wall Street is back to making and the incredible pain and suffering that so many families are facing this holiday season – families who are losing their jobs and their homes due to a recession caused in large part by banks’ reckless behavior.”

Jointly convened by the PICO National Network, Faith in Public Life, Sojourners and the Center for Responsible Lending (CRL), the event noted how a still growing number of families are either beginning foreclosure procedures or facing its serious likelihood. According to recent research from CRL, every 13 seconds a new foreclosure is filed against another family, translating into 6,600 new foreclosures every day. At this rate, nearly two million families will lose their homes in 2009 alone.

Although subprime mortgage holders with variable interest rates began losing homes in huge numbers over the past few years, many of this year’s foreclosures are occurring in families with prime rate mortgages who have experienced unemployment of six months or more.

Commenting on the still-unfolding foreclosure saga, **Rachel Anderson, CRL’s Faith-Based Director** remarked, “One of the most needed reforms is to stop foreclosure proceedings for the troubled homeowners who have taken the time and effort to secure a modified mortgage and are awaiting actions from lenders and/or government. Once these good-faith efforts are offered, the

countdown to foreclosure should be stopped. If Congress would pass the proposed federal Consumer Finance Protection Agency, many of these ills would be cured.”

Joining these faith leaders were troubled homeowners who told of their personal plights with foreclosures.

Nylton Andrade, a public school teacher from Brockton, MA was laid off in June. His lender, Bank of America, told him that he did not qualify for a loan modification. His family could lose their home any day. “It’s maddening to see the banks that caused our recession, and were then bailed out by taxpayer money, turn around and give out billions in bonuses while they continue to throw millions of people out of their homes like myself, who simply need a few hundred dollars less on our monthly mortgage payment,” said Andrade.

Mercy Martinez, a homeowner from San Jose, CA who has been trying to work with Bank of America on a modification since April said, “I put \$100,000 down on my condo. I had enough money for a traditional, 30-year fixed rate loan; but the loan servicer unethically tricked me into an adjustable rate loan that could put me in foreclosure at any moment. It’s a time bomb. I have put so much of my life savings and monthly salary into this house and yet, I live with daily anxiety, knowing that when my payment adjusts, I won’t be able to pay my mortgage.”

“To take advantage of consumers should not only be a crime but it is a sin against God,” said **Jim Wallis, CEO of Sojourners**, and author of the forthcoming book *Rediscovering Values: On Wall Street, Main Street and Your Street – A Moral Compass for a New Economy*. “Teachers, social workers, small business owners and our men and women in the armed services all know what it means to sacrifice for the good of our country in tough times and they do so with pride. I refuse to believe that Wall Street is the one place in the country that is exempt,” he concluded.

Brian McLaren, an influential evangelical author and speaker, expressed support for Monday’s event in a written statement: “This financial crisis has revealed deep weaknesses in our economic and regulatory systems - not to mention our basic national values. Our regulatory infrastructure needs profound reform, and so does our national ethos at the level of values and commitments to justice and compassion. This is work to which we all must dedicate ourselves - politicians and pastors, bankers and parents, national leaders and neighbors in communities everywhere.”

###