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Home loan protests in Antioch draw Bank of America to negotiating table

By Gerald Korson
Voice correspondent

Local Bank of America representatives have agreed to meet with leaders of an interfaith advocacy group that has been pressuring the lender to conduct good-faith negotiations with families who face foreclosure of their homes.



National civil-rights leader Rev. Jesse Jackson addresses a town hall meeting at Holy Rosary Church in Antioch that drew 400 citizens urging Bank of America to negotiate with families who have qualified for loan modifications.

JOSÉ AGUIRRE PHOTO

the banks negotiate in good faith, Kruggel told The Catholic Voice.

Risky investment practices such as subprime lending and hedge funds — coupled with an economic recession, a drop in the housing market and a rising unemployment rate — have led to mortgage hardships for many homeowners across the country. The federal government has attempted to stabilize struggling financial institutions with massive bailouts and a mortgage loan-modification program.

Loan modification is a process by which the terms of a mortgage are renegotiated in order to make monthly payments significantly lower and more affordable for the borrower, thereby avoiding foreclosure.

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The agreement, announced during an Oct. 24 protest at the Bank of America branch on Somersville Road in Antioch, came four days after a town hall action that drew 400 citizens and was attended by national civil-rights leader Rev. Jesse Jackson.

Both events were sponsored by the Contra Costa Interfaith Supporting Community Organization (CCISCO), a coalition of faith communities that includes several Catholic parishes, as part of its ongoing "Bank Accountability" campaign. Bank of America's meeting to negotiate CCISCO's demands was scheduled for Friday, Nov. 6, at Holy Rosary Church in Antioch.

Among those demands are:

- A halt to home auctions and foreclosures involving families who qualify for loan modifications,
- The incorporation of principal reductions in addition to interest-rate deductions to make loans more affordable, and
- Working with local government and non-profit developers to convert abandoned bank-owned properties into affordable housing.

"We believe that our demands are simple: Stop all preventable foreclosures and reinvest in our communities," said Adam Kruggel, CCISCO's executive director. "Banks need to be accountable for the widespread abuses that have created this crisis, and they need to work with families."

All the demands are "straightforward and attainable" if

In Contra Costa County, 5,951 homes are in default while another 5,067 are up for auction, according to Realtytrac. Another 5,391 are presently owned by banks.

During the month of September, new default notices, foreclosure-auction notices and bank repossessions in the county numbered 3,570. Antioch led all Contra Costa communities with 540, followed by Pittsburg with 389.

CCISCO's October rallies attracted strong support from California's then-Lt. Gov. John Garamendi, state Sen. Mark DeSaulnier (D-Concord), several Antioch City Council members, and public officials of other area communities.

"Bank of America received billions of dollars of our money to take care of themselves; they fattened themselves, they fattened their executives' wallets, and they left Antioch high and dry," Garamendi told participants in the Oct. 24 protest. "It's time for Bank of America, for every Wall Street bank, to come to an understanding that the fat days are over, boys. It's time to take care of America."

Bank of America spokeswoman Jumana Bauwens told The Catholic Voice that the lender "has reached out" to CCISCO community organizer Nancy Marquez and arranged a meeting "to begin building an appropriate and beneficial working relationship" with CCISCO leaders.

"At our request, Ms. Marquez has provided us with a list of customers that are concerned with their mortgage payments so that we can begin reaching out to them without further delay," Bauwens said. "We want to continue to work with local communities to help as many individuals and families as possible remain in their homes for years to come."

She noted that Bank of America has helped more than 215,000 customers keep their homes through loan modifications. The bank also has more than 100,000 homeowners in trial modifications through the Obama Administration's Making Homes Affordable Program, she added.

Bank representatives recently met with some 2,100 struggling customers as part of the Neighborhood Assistance Corporation of America's "Save the Dream" event in San Francisco and participated in a community event in Modesto sponsored by the Alliance for Stabilizing Our Community. The bank was also to take part in the Making Your Home Affordable Clinic, scheduled for Nov. 7, at Oakland City Hall.

Although the financial institution "is committed to helping struggling homeowners avoid foreclosure" and "has many programs available to homeowners facing financial hardship," Bauwens said it cannot help "those who may be suffering from long-term unemployment." She urged mortgage customers who need assistance to contact Bank of America as soon as possible.

A hopeful sign came a few days before the town hall meeting when CCISCO member and homeowner Nelly Rubio, who had applied for a loan modification and waited for months only to be informed that her home was soon to be auctioned, received a surprise phone call from Bank of America telling her that the auction was canceled and that they would work with her to modify the terms of her loan.

For CCISCO members and struggling homeowners in the county, however, the battle has only begun. One protest leader, Domingo Delgadillo, described the progress with Bank of America as "a wake-up call to all the other banks that you're next. . . . If you don't negotiate in good faith, we're going to escalate this fight."

Kruggel said that Wells Fargo Bank, which this year acquired another California lender, Wachovia Bank, is next on the list, followed by JP Morgan Chase and Citibank. Wells Fargo officials have responded to CCISCO's request for a meeting but had not set a date by press time, he added.

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