

Foreclosure Investigator Meets With Distressed Homeowners

— By **Siddhartha Mahanta** | Tue Dec. 14, 2010 11:19 AM PST

With no end in sight to the massive foreclosure scandal, furious homeowners are taking matters into their own hands.

Iowa Attorney General Tom Miller is heading up the nationwide investigation into the scandal, and is holding his [first group meeting with foreclosure victims and community groups](#) from around the country today. The activist groups are demanding that loan modifications and principal write-downs be included as part of any settlement Miller reaches with the loan servicing industry. The meeting is being organized by groups like the Service Employees International Union, Alliance of Californians for Community Empowerment, and National People's Action.

Distressed homeowners have been plagued by what's known as the "dual track" problem: the servicing industry's contemptible practice of starting loan modifications while concurrently beginning foreclosure proceedings. The solution, as *Mother Jones'* Andy Kroll [has written](#), is simple: block foreclosure for homeowners undergoing loan modifications.

"Foreclosures at the scale we are currently experiencing, and unfortunately will continue to experience for some time, are a public policy issue," Miller told the Senate Banking committee last month. "It is well past time to once and for all tackle the issue of foreclosures and loan modifications with the resources and urgency it deserves."

Miller seems to understand what's at stake for homeowners, and how the existing system screws them. So if he's feeling particularly populist, he may just decide to join the protesters after his meeting with them. They'd definitely have something for him to do: Activists plan to picket bank branches in Des Moines over the huge bonus packages top executives are taking as they continue to foreclose on American families. It doesn't have to be this way. According to a new report from the SEIU, restoring equity to underwater homeowners would cost \$73 billion per year—approximately one-half this year's bonus & compensation pool.