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Faith Groups Press Geithner On Foreclosures

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WASHINGTON (RNS) A national network of faith-based organizations, homeowners and community organizers met with Treasury Secretary Timothy Geithner on Wednesday (Nov. 3), urging him to tackle problems with fraudulent foreclosures.

Organizers from the group People Improving Communities through Organizing (PICO) and other activists said a program designed to modify mortgages, enacted soon after President Obama took office, is leaving too many cash-strapped families behind.

The Home Affordable Modification Program (HAMP) allows homeowners to modify or refinance mortgages; officials say it could provide relief for as many as 3 million families on the verge of foreclosure.

"Only one half of the families have been given relief," said the Rev. Tommy Pierce, a board member of Illinois People's Action.

Pierce said there are 76,000 families that have been making consistent payments under temporary loan modifications. But after the six-month temporary period ends, many families are forced back into foreclosure. PICO wants permanent loan modifications for these families.

The organizations also want banks that do not comply with the terms of the program to be fined, as well as aggressive enforcement against lenders recently caught up in hundreds of thousands of faulty foreclosures.

"Our goal is to keep families in their homes," said Ken Kelly, a community organizer at PICO. "We think there is authority under HAMP."

Jennifer Murphy, director of lender service relations for the Center of New York City Neighborhoods, said Geithner heard the message, but she was skeptical the meeting would result in many changes.

"They expressed that there is nothing more that they can do to compel the banks," said Murphy. "I would hope they would look harder to see if there is some way. The American people saved the banks. Now it's time for the banks to save the American people."

In a statement, the department said officials will continue to work with PICO and other organizations on the issue.

"We truly appreciate the work that the faith-based community and grass roots counselors and advocates do on a day-to-day basis to help struggling homeowners in need," said Treasury spokesman Mark Paustenbach.

The groups also asked for a moratorium on foreclosures, especially for those who are already eligible or already enrolled in HAMP.

"We advocate for a temporary, very targeted, moratorium in foreclosures to send a clear message to the American public that the Treasury does care about due process," Kelly said. "It would also send a clear message to the market that the administration wants to get to the root of the problem which includes faulty documentation."

PICO officials said they hope to meet again with Geithner within 30 days.