The foreclosure crisis imposes costs on homeowners, renters, and banks alike. For this reason, the best approach to the situation is one that can benefit all affected parties. An Act to Establish Foreclosure Mediation with Judicial Review, proposed to the Massachusetts State Legislature in January of 2011, embodies this approach by protecting the voices of mortgagors while generating workable solutions for lenders.

Mediation to Prevent Foreclosure

The Bill
Final Draft S00673: “An Act to Establish Mandatory Foreclosure Mediation”

Elevator Speech
We can agree that it is unjust for citizens to be kicked out of their homes, through no fault of their own. Across Massachusetts, people are being evicted from their homes. Houses are being boarded up, and property values are plummeting. Families and communities are under financial and social strain. Why? Because banks are refusing to renegotiate the terms of predatory subprime loans. Great news! There is a solution. Senator Chandler is sponsoring a mandatory mediation bill that would force banks and borrowers to try to hammer out a mutually beneficial deal. In other states where this has been tried, the majority of mediations end up with a deal acceptable to everyone. Can you please ask Senator Creem to make this a priority item in the Judiciary Committee?

Excerpts from Storybook
Meet Marshall. Marshall is a 75 year-old man in Dorchester. He suffers from rats, poisonous liquids, broken appliances, and feces dripping from fractured pipes. Here’s why.

In 1997, he bought a house with an adjustable-rate mortgage in order to live with his sick parents. Their medical bills rose, as did the rate on his mortgage, and he was no longer able to pay the monthly fee. After being foreclosed on, he has been a tenant of the bank.
Though the bank has a legal obligation to repair the home to a reasonable standard, it would rather lose the hassle of being a landlord and lose money on an empty house. This situation is working for no one.

Meet Grace. Grace has dedicated her life to defending the poor, the powerless, and the foreclosed.

Grace has a great respect for her friends and neighbors, and believes that they have the power to stand up for themselves. She advocates for mandatory mediation because she believes in empowering her fellow citizens to be equal negotiators, not victims, of the banks. As a scholar of foreclosure legislation and the crisis, she has seen, over and over again, the horror of banks dealing in bad faith and kicking out citizens because they don’t want to deal with the paperwork that would be needed to save them both money.

Grace ran for Governor in 2006 on the strength of her belief. Now, as she paces the State House ferociously in her well-worn sneakers, staffers, representatives, and lobbyists all stop and greet her – they know that she’s on the march for justice.

■ Excerpts from Campaign Journals

Anthony
The coalition event that I was able to attend was a meeting of City Life/Vida Urbana, an organization in Jamaica Plain helping individuals who faced foreclosure. CLVU was recommended by almost every person related to the issue that I had spoken with so far. The event itself was fantastic – it was well attended and clearly empowering for the people there. Individuals got up to share their stories of foreclosure, and Steve Meachum, the director, helped people strategize their resistance to the bank’s legal action. I was deeply impressed with this community’s ability to organize itself, and during the meeting they took volunteers for various activist events over the next week. More impressive was that the meetings were weekly. This was not a special one-time event. In fact, CLVU was able to generate and maintain this kind of energy every week. What I learned most from the event was the extent to which the foreclosure crisis was affecting real people. Simply reading about it or watching the news could never match the understanding I got from seeing real people share their stories and struggles.

Sahar
It all began with a phone call on a Friday morning. “Hi, Sahar? This is Grace Ross; you contacted me before about working on foreclosure advocacy. I’m lobbying in the State House today – you should come if you can. The deadline to get Representatives to file cosponsorships is today at 5pm, and I need all the help I can get.” Oh. It was already 12:30. I worried about the inconvenience of getting there and back. It’s hard to meet with a stranger in a strange place. Sometimes you have to just make the leap, and I’m glad I did.

I arrived at the State House by 2-ish. I called Grace, and met her at a random Rep’s office. We talked for a few minutes, and then I followed her as she went from office to office, trying to round up cosponsors from each. Now, here’s the weird thing. It totally worked! Everyone seemed to know her, and even people who didn’t listen attentively. As we neared the 5pm deadline, representatives apologized for not having enough time to read, reflect, and cosponsor, but vowed to likely vote for the bills when the time came. The world really does seem to belong to those who show up.

■ Update (May 2011)
The bill is currently in the Joint Committee on the Judiciary, awaiting a hearing.

For more information

Association of Community Organizations for Reform Now
www.acorn.org

Massachusetts Alliance Against Predatory Lending
www.maapl.info