



Virginians Organized for Interfaith
Community Engagement
4444 Arlington Blvd
Arlington, Virginia 22204
www.voice-iaf.org

PRESS RELEASE

For Immediate Release: April 10, 2011

Contact: Jennifer Knox

Cell: (608) 334-4507

jennifer.t.knox@gmail.com

NoVA FAITH LEADERS LAUNCH CAMPAIGN FOR MORTGAGE MODIFICATIONS & MULTI-MILLION DOLLAR REINVESTMENT FUND

**VOICE Organizes 200 Priests, Pastors, Church Members and Homeowners from Prince William Area
GE, Bank of America Targeted for High Cost Lending & Low Modification Rates, Predatory Lending**

MANASSAS, VA – In Georgetown South – a neighborhood devastated by a foreclosure rate of more than 30% – homeowners told horror stories of toiling with countless bank representatives and lost paperwork only to get denied mortgage modifications. A mass of religious leaders and homeowners from Prince William County vowed not to give up and announced the kickoff of their campaign to demand key financial institutions streamline the mortgage modification process and create a multi-million dollar fund to rebuild devastated communities. The 200 faith and community leaders who attended were organized through VOICE (Virginians Organize for Interfaith Community Engagement) from 15 Prince William area congregations and homeowners associations.

The Prince William area is the epicenter of Virginia's foreclosure crisis. In the last five years Prince William County, Manassas City and Manassas Park have seen over 16,000 foreclosures with some neighborhoods experiencing foreclosure rates up to 33%.

"A 30% foreclosure rate means our neighborhood has seen almost 300 foreclosures in the last few years. Our homeownership rate dropped from more than 60% to less than a third" explained Leslie Jones a homeowner and leader from Georgetown South. "But the numbers don't tell the whole story. Our neighborhood went through a depression. Friends disappeared. Homes stood vacant inviting drug dealers and other crime. Investors scooped up properties cheaply, and become slum landlords barely maintaining the properties and threatening tenants. Problems like these affect a whole community."

The dramatic drop in home prices in the Prince William area has left countless homeowners underwater and trying to navigate a broken mortgage modification system. Currently 47.4% of homeowners are underwater ranking the county 26th in the nation and thousands of families are more than 90 days delinquent on their mortgages.

Edgar Lemus has lived in Dale City for ten years with his wife and two children. He attends Holy Family Catholic Church nearby. Lemus says he has never missed a payment in his ten years as a homeowner. In February 2009, he applied for a modification with Chase Bank. After four months of paperwork, he received a trial modification and then a permanent modification in October 2009. He continued making his payments as directed for a year when he received a disturbing letter in the mail from Chase.

“The letter said that we never sent our paperwork back to the bank to make our modification final and that we now owed \$26,000 in back pay and late fees. It did not make sense. We did everything right. We made every payment on time, and we followed the bank’s directions. We talked to countless people from Chase. One Chase official even told me he could see our signed paperwork in the bank’s online system, so he did not understand what happened.” But even with all these calls, no one could fix the problem. The Lemuses are currently trying to get their modification re-instated and their money applied to their account, but Chase officials have not returned their recent calls.

VOICE leaders like Rev. Clyde Ellis, Pastor of Mt Olive Baptist Church in Woodbridge, VA, watched the housing crisis reap havoc in Prince William County and knew faith and community leaders needed to find a way to make it an organizing issue.

“I saw members of my congregation arguing back and forth with banks and losing hope. We built VOICE so that we would have the power to make change for everyday people in Northern VA. If this isn’t an issue we need to stand on, I don’t know what is” said Ellis.

Founded in 2008, VOICE is a broad-based, non-partisan citizen’s organization with a membership of 42 houses of worship in Northern VA. VOICE has undertaken local action with low-income housing residents to address housing code violations & improve their living conditions, secured \$9 million in the 2010 VA budget to preserve access to dental care for low income adults, and organized local immigrant residents (Muslim, Latino, and African Christians) to press for timely processing of Federal immigration applications.

Over the past two years, VOICE worked with The Reinvestment Fund, a community investment group in Philadelphia, and local government employees to identify and map all foreclosures during the housing crisis in the Prince William area and tie them back to their original lenders. VOICE identified WMC Mortgage, bought by General Electric in 2004, as the worst lender in Prince William County from 2004-2007. 92% of GE/WMC Mortgage’s \$715 million in loans in Prince William County were high cost loans; targeted primarily at Latino and African American families (more than 86% to people of color). Also, GE/WMC Mortgage had the highest rate of foreclosure in the county (17%) costing Prince William County, Manassas, and Manassas Park at least \$11.55 million in public revenue and hundreds of millions in wealth lost to local families. Jeff Immelt, CEO of General Electric and the chair of President Obama’s Jobs & Competitiveness Council, is the target of recent criticism after the firm reported a \$5.1 billion profit in the US for 2010; the company paid no federal taxes and claimed a US tax benefit of \$3.2 billion. VOICE’s research also identified Countrywide, bought by Bank of America in 2008, as the largest single lender in Prince William. Two subsidiaries of JPMorgan Chase, Long Beach Mortgage & Bear Stearns, had the second worst set of loans in Prince William.

“The fact is GE, Bank of America and JPMorgan Chase are responsible for millions of dollars in damage to Prince William County. We want accountability” explained Fr. Gerry Creedon who pastors Holy Family Catholic Church in a hard-hit community in Dale City, VA. VOICE is demanding that the largest mortgage servicers eliminate the backlog of mortgage modification applicants and agree to six asks that will fix the modification. In addition to fixing the modification process, VOICE is demanding GE, Bank of America and JPMorgan Chase capitalize a multi-million dollar community re-investment fund for the Prince William area. The fund will finance 0% Nehemiah second mortgages for underwater homeowners bridging the gap between what their houses are worth and the value of the loan. VOICE’s sister organizations have employed this innovative financing strategy to build thousands of homes on the East Coast for first-time homeowners. The default rate on these Nehemiah homes is less than 1%. These actions, VOICE argues, will prevent more foreclosures and stabilize real estate values in the county, helping all residents.

After announcing their campaign, homeowners took off to take photos in front of vacant bank owned properties in the neighborhood chanting “We’re Fired Up! Can’t Take it No More!” The photos will be mailed to Jeff Immelt CEO & Chairman of General Electric, Jamie Dimon CEO & Chairman of JPMorgan Chase, and Brian Moynihan President & CEO of Bank of America.

###