

Update from VOICE Foreclosure & Bank Accountability Action, October 1, 2012



On Monday, October 1, 2012, 850+ VOICE leaders gathered at St Paul UMC in Woodbridge, VA for an update on VOICE's foreclosure & bank accountability campaign. This campaign – launched in April 2011 – has focused on the three financial institutions with the worst lending records in Prince William County, Manassas, & Manassas Park – Bank of America, JP Morgan Chase, and General Electric – pushing them to reinvest \$300-500 million to keep families in their homes, rebuild credit, homeownership rates & blighted neighborhoods, and invest in affordable housing.

Full press coverage and photos can be found on VOICE's Facebook page (<http://www.facebook.com/voice.iaf>) or on VOICE's website (<http://www.voice-iaf.org/newsmedia>).

What commitments were made at the October 1st action?

Andrew Plepler, **Bank of America's** Consumer Policy & Global Corporate Responsibility Executive, reported & committed to:

- \$300,000 towards HUD-approved housing counselors for Prince William County, Manassas, and Manassas Park (bringing Bank of America's total commitment to \$516,000 over 4 years & total commitments from all 3 banks to \$738,000 so far).
- \$50+ million in principal reduction & debt forgiveness under the Nat'l Settlement for 502 families since VOICE's June 3rd action.
- \$20 million in investment for affordable housing & community development (\$5 million toward VOICE's 300-unit affordable housing pilot, \$15 million in funding to incentivize other non-profit financial institutions to invest in PWC).
- Commitment to develop a credit restoration and new mortgage loan program for families by early 2013.

Bi-partisan **elected & political representatives** committed to the following:

- US Sen. Mark Warner (D) committed to work with VOICE to ensure our negotiations with GE & JP Morgan Chase were productive. He also agreed to help VOICE find federal gap financing to support VOICE's 300-unit pilot.
- VA Del. Scott Lingamfelter (R) & Del. Richard Anderson (R) committed to ensure a portion of the Virginia Housing Trust serves Prince William families & to put in a budget amendment to support VOICE's 300-unit pilot.
- US HUD Secretary Shaun Donovan committed to putting together a top team at HUD to work with VOICE on its reinvestment strategy & prioritizing delinquent FHA loans for possible principal reduction in coming months.

What has happened since the October 1st action?

There has been progress on all fronts, particularly with GE & JP Morgan Chase:

- On Oct. 17th, VOICE leaders met with **General Electric** CEO Jeff Immelt. Mr. Immelt committed to match BofA's \$5 million investment in VOICE's pilot, fund 2 housing counselors in 2013-4, & to consider a plan for new mortgage loans.
- Sen. Mark Warner is working to secure a meeting for VOICE leaders with **JP Morgan Chase** CEO Jamie Dimon.
- **Bank of America** credit restoration & lending experts will meet with VOICE in Prince William on October 31st.
- **VHDA** Chief Susan Dewey has committed to a meeting with VOICE leaders in November to be briefed on VOICE's campaign & to discuss how the state can leverage its resources to support reinvestment in Prince William.

Summary of VOICE's affordable housing reinvestment proposal

VOICE is committed to developing 1,000-2,000 units of affordable rental & homeownership housing in Prince William. Bank of America & GE have thus far committed \$10 million to support a 300-unit pilot. Tentatively, it will work as follows:

- Financial institutions make low-interest loans (on different terms, through non-profit banks) to housing developers to acquire blighted & vacant single-family and multi-family units. A modest public subsidy of (\$10-20K / unit) will support this.
- Houses & apartments will be rehabbed prior to rental or resale; all will be maintained as affordable housing.
- Opportunities for further development (rehab, new builds) and for affordable homeownership will also be identified.