

NATIONAL PEOPLE'S ACTION

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Taxpayers from Across the U.S. Called on Secretary Geithner Today to Demand the Prevention of 200,000 Holiday Season Foreclosures

Washington, D.C. – Today, delegates from 10 of the states represented last month at the Showdown in Chicago led a spirited demonstration on the steps of the U.S. Treasury in Washington, D.C. The speakers called on Secretary Tim Geithner to stop the cresting tide of foreclosures with bold action that holds banks and servicers accountable to fixing loans and keeping families in their homes.

Organized by National People's Action (NPA), the speakers included family farmers, pensioners, homeowners who have faced foreclosure, pastors and community leaders who spoke about ways for Secretary Geithner and the Treasury to take as much bold action for Main Street as they have for Wall Street.

“Treasury’s carrot and stick approach to lenders and servicers is missing a critical ingredient – there’s no stick, stated George Goehl, executive director of NPA. “With the holidays fast approaching Secretary Geithner needs to be as tough on lenders and servicers as they have been on the American people and make them modify loans and save people’s homes. If Secretary Geithner does not enact punishments for servicers who fail to write down principal and modify loans, it’s going to be one of the toughest holiday seasons on record for American homeowners.

There have been more than 2.1 million foreclosures through mid-November, with 2.4 million foreclosures projected through the end of the year. According to U.S. Treasury statistics through October 2009, only 20% of the eligible families (those more than 60 days delinquent) received a trial modification, and less than one half of one percent are in a permanent modification with long term affordability.

Barb Kalbach, board member of Iowa Citizens for Community Improvement, and a nurse and family farmer stated “Big banks are breaking our small communities. In small town Iowa I see more and more foreclosure filings each week. Our Governor has slashed the state budget by 10% because of the financial and foreclosure crisis impacting everything from public education, domestic violence services and assistance for the newly homeless. As the crisis worsens, the Governor has raised property taxes, making it harder for many people to stay in their homes. I came to D.C. to stop this cycle. Enough is enough.”

Today’s demonstration was the latest in a series of national mobilizations launched last month as 5,000 taxpayers from 20 states converged on the American Bankers Association convention in Chicago to demand Wall Street and big banks stop fighting reforms that would protect our families from the next economic crisis.

“Secretary Geithner played a central role in the bank bailout while at the Federal Reserve Bank of New York, and for the past year worked weekends giving out \$640 **billion** dollars to the banks, but only \$946,000 to servicer and investor payments to help families stay in their homes,” explains Heidi Hynes, board member of the Northwest Bronx Community & Clergy Coalition. “It’s time for Secretary Geithner to take bold action for homeowners, or will he say ‘no thanks’ to homeowners this Thanksgiving?”

American taxpayers and community leaders demanded today that the Treasury punish loan servicers that fail to dramatically increase the number of permanent modifications that they make available and mandate principal reduction as a primary tool to prevent foreclosures, not just as a last resort. Demands also included making the Treasury's Home Affordable Modification Program (HAMP) process more transparent and implement a true appeals process so families in foreclosure can see how to qualify and have recourse if rejected by their servicer and making it possible for families to reapply to the program if their economic situations change. HAMP cannot be a 'one-strike' program. Lastly, the group insisted the Treasury take the lead in calling for breaking up of the big banks that drove the subprime crisis.

"We need the Treasury on our side," pleads Fenny Dorsey from Missouri. "I was the victim of payday lenders who promised me that they would help me build my credit history, but instead they took everything I had. The Treasury needs to hold banks accountable and stop the bleeding across America."

Rev. Robert Bushey, board member of the Central Illinois Organizing Project, said "Our prayer is that the anguish of millions of homeowners is known and heard by Secretary Geithner. He must take responsibility and lead the fight to end foreclosures, and we will continue to pray for him until he does."

Photos and videos from the U.S. Treasury Department activities are being captured and provided to the media thru the following websites:

- YouTube - <http://www.youtube.com/ABAShowdown>
- Flickr - <http://www.flickr.com/search/?w=all&q=ABAShowdown&m=text>

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National People's Action (NPA) is a network of metropolitan, regional and statewide organizations that build grassroots power. Our purpose is to create a society in which racial and economic justice are realized in all aspects of society, resulting in more equity in work, housing, health, education, finance and other systems central to our well-being. This is part of a series of actions that began in October with a "Showdown in Chicago" where over 5,000 taxpayers converged on the American Bankers Association convention to demand accountability and transparency in the financial system. Visit WWW.SHOWDOWNINCHICAGO.ORG for more details.