



Praying for Relief for Homeowners

Clergy Group Presents Foreclosure Prevention Plan to Washington

By KIRIT RADIA

WASHINGTON, Nov. 18, 2008—

A cold, windy day couldn't stop Gloria Cooper from coming to Washington on behalf of her neighbors who are in danger of losing their homes to the country's foreclosure crisis.

"We believe in a God that makes miracles out of nothing," said Cooper, a minister at Faith Chapel Church of God in Christ in San Diego.

She was one of nearly 200 faith leaders who gathered in front of the Treasury Department today to pray for more government action to help struggling homeowners, urging Treasury Secretary Henry Paulson to take broader action to stem the tide of foreclosures affecting thousands of Americans.

"We want them to feel us, not just see us, because we are the everyday people," said Minister Marvin Webb of Bethlehem Missionary Baptist Church in Richmond, Calif.

The leaders brought with them more than prayers, they brought a plan they hope the Bush administration will enact.

"Our prayer is embedded in action," said Pastor Lucy Kolin of Reservation Lutheran Church in Oakland, Calif.

"We hope we can hold officials accountable," she added, dismissing the government's efforts thus far as "piecemeal" and "not enough" to solve the problem.

The group, PICO National Network, instead wants the government to force banks to renegotiate mortgages whose payments have ballooned beyond what the borrowers are able to pay.

In a letter signed by more than 500 clergy from across the country, the group calls on the Bush administration to force all lenders to reconfigure troubled loans so that monthly payments do not exceed 34 percent of a family's monthly income.

PICO's plan also calls on the administration to use the bailout legislation "to fully guarantee loans that are modified, in order to create an economic incentive for investors to agree to new loan terms."

The group says they attempted to arrange a meeting with Paulson to present him with the letter, but were turned down. They instead were scheduled to meet today with some of his staff.

So far, the Treasury Department has been reluctant to use funds from a \$700 billion economic bailout package authorized by Congress to rescue troubled mortgages. Instead, Paulson's team has used the money to prop up failing banks and financial institutions, saying that will have a more immediate impact in averting a financial collapse.

The government has enacted a similar plan to the PICO proposal, to reconfigure loans so they are 38 percent of household income, but it only applies to loans owned by mortgage giants Fannie Mae and Freddie Mac and a few private sector lenders.

PICO's proposal echoes similar calls from congressional Democrats who want to see more government action to help individual homeowners. The group says it has found several allies on Capitol Hill, led by Rep Barney Frank, D-Mass., chairman of the House Financial Services Committee.

That committee held a hearing today to assess the administration's use of the bailout package so far. Democrats blasted Paulson for rejecting a plan proposed by FDIC Chairwoman Sheila Bair that would restructure troubled mortgages.

"It's not a silver bullet but it will be a huge reduction in the foreclosures that you are seeing right now," Bair told the committee.

"She has been able to come up with a way by which we can do credible loan modifications, and it is being ignored," Rep. Maxine Waters, D-Calif., said at the hearing.

Paulson acknowledged that more needs to be done to help homeowners, telling lawmakers, "I hear your frustration, more needs to be done and we're going to keep working on it."

Many of the faith leaders at today's gathering have gotten a close look at the human effects of the country's economic crisis, hearing of the problems from more and more of their congregants.

"The congregation is on the front lines," Kolin said. "Often the church is the first to know when something goes wrong."

"When people are in trouble and have exhausted their reserves, they come to the church for help," Webb said.

Pastor Bill Knezovich knows this too well. Three families in his congregation are either foreclosed or facing foreclosure. In one family facing foreclosure, the mother works three jobs while the father works split shifts in order to support their three children.

"These aren't people who aren't doing anything," Knezovich said. "Our hope is that Paulson and the rest of the government wake up to the need for modified loans so people who want to pay their mortgages can do so."

These faith leaders see themselves filling a hole left by government inaction to solve the needs of individual Americans.

"When people lose their jobs, sometimes the only hope they have is in God when they lose hope in government," said Father Gene Demecais of St. Alphonsus Church in Fresno, Calif.

And as Webb closed the prayer session, he led the assembled in a rendition of "We Will Overcome," a favorite gospel hymn they all pray will come true for their neighbors in trouble.

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