

Bronxites Want Action on Foreclosure Crisis

by KIM VELSEY

Bronx community activist Desiree Pilgrim-Hunter left the Federal Reserve's foreclosure forum at New York's Trinity Church earlier this fall feeling frustrated. As a member of the Northwest Bronx Community and Clergy Coalition, she and other local leaders had pressed the Fed for greater consumer protections and lender accountability.

The Fed had listened, but Pilgrim-Hunter just wasn't sure that they were doing much else.

New York City has seen an uptick in home foreclosures during the past three years. Between 2006 and 2009, there has been a 50 percent increase, with citywide foreclosure filings moving from about 10,000 in 2006 to a high of 15,055 during the first three quarters of 2009.

A disproportionate number of those foreclosures come from Brooklyn, Queens, and the Bronx. In 2009, Bronx foreclosure filings continue to climb. So far, the year has seen 1,729 filings, compared to a total of 1,628 in 2008, according to the Furman Center for Real Estate and Urban Policy.

Although not all filings result in foreclosures, they are indications of homeowners in serious distress.

During the meeting Pilgrim-Hunter attended in October, three Fed representatives, including Anna Alvarez Boyd, an associate director of consumer and community affairs, dutifully took notes and promised to report back to the board of directors.

"For all the non-profits working on the front lines," said Boyd, "you're doing heroes' work. You're heroes."

Pilgrim-Hunter, a Bronx resident for the past 25 years, had hoped for more than encouragement. She wanted a commitment from the Fed to build greater protections into the Community Reinvestment Act, which was created in 1977 to give residents in minority and low- and middle-income neighborhoods access to credit. She also wanted more transparency in home mortgages as protection against predatory lending that often leads to people taking on loans they often don't understand and ultimately can't afford.

She's witnessed the toll these loans have taken, firsthand.

At Fordham Hill, the University Heights condo complex where she is president, Pilgrim-Hunter said a number of tenants stopped paying the maintenance fees. Then the foreclosures started, two to five a week, in the 1,119-unit complex, she said.

It was stunning, she said, because her complex is considered upper-middle class. She has seen seniors with paid-off properties swindled into taking out new mortgages with ridiculous rates and a neighbor who couldn't keep up with building fees when his sales commissions trickled off.

"If it's happening in our buildings, you know that everyone else in the community, they don't stand a chance," she said.

In an attempt to help the situation, Pilgrim-Hunter, alongside the nonprofit group National People's Action, requested a meeting with Ben Bernanke, the chairman of the Federal Reserve, which regulates the country's banks. After a series of refusals, he changed his mind when the group planted 600 people on his lawn.

The Fed has since held meetings with community groups across the county over the past several months. The

meetings fluctuate between presentations, personal accounts, and pleas for increased regulation and oversight.

At the New York meeting, stories of hardship in the Bronx were shared by local activist Heidi Hynes, who plowed through her list of requests before turning to the Fed.

“None of the pastors, none of the people sitting in this room caused this mess. We are the cleanup crew and we’ve had it!” she shouted.

The Fed’s Boyd said the meetings were transformative. “No one can walk through the crisis we’ve been through and not think about what can be done differently,” she said.

Boyd pointed out a number of new initiatives that the Fed has undertaken: eliminating pre-payment penalties, posting more consumer information online, and buying movie ads around the country to warn people about foreclosure scams.

“Have we done enough, soon enough? No,” Boyd admitted.

Community groups weren’t the only ones unsure whether the meetings would amount to much. Andrew Caplin, an Economics professor at New York University specializing in housing finance, doubted anything useful would come from the exchanges.

“It’s all anecdotes,” said Caplin in a telephone interview. “I don’t think anyone brings any facts to the table aside from bad things happened to good people.”

Where Caplin sees anecdotes, Pilgrim-Hunter sees systemic problems that need to be addressed by a federal government that allowed them to happen.

“Right now things aren’t happening fast enough to stop the damage,” she said. “People are losing their homes every day, losing their jobs every day. There’s a lot of conversation on how the Fed will report back. We need to know, when is the actual doing.”
