

FORECLOSURE PREVENTION ZONE

For information on the possibility of losing your home, call 964-3711. Para información sobre la posibilidad de embargada de su casa, llame 964-1931.

Occupy Mendocino is working on becoming a “Foreclosure Prevention Zone.” What does this mean? A city, town or county that declares itself a Foreclosure Prevention Zone (FPZ) is making a commitment to respond to the foreclosure crisis as a community or an alliance of communities. This approach will allow us to speak to lending institutions with a unified voice to request assistance in our common struggle to keep people in their homes. The foreclosure crisis doesn’t only affect individuals. It is having a destructive effect on thousands of communities across the country. Homeowners are losing their homes or watching as their home values decline, renters must pay high rents, small businesses are losing customers who move away or cannot afford to frequent these businesses as often, schools close or reduce staff, and local governments confront declining tax revenues and must cut back employees and services. The foreclosure crisis is weakening our communities and reducing our quality of life. Unless we unite as communities to address this devastating crisis, we will continue to sink deeper into the economic morass that, in large part, has been created by the foreclosure crisis.

The Foreclosure Crisis at a Glance

- Today, an estimated 29% of all homes with mortgages are underwater. A total of 14 million homes will be foreclosed on from 2007 to the end of the crisis – one in every four mortgages! With foreclosures increasing, a growing imbalance of supply and demand is driving down home prices and driving up rents. Home price may fall another 20% in 2012.
- Middle class wealth is declining partly due to the foreclosure crisis. More than \$7 trillion in home equity in the U.S. has been lost since 2006
- Middle-income households have been hit hard because home equity is a large share of their wealth. These households have seen their home equity decline by an estimated 66 percent.
- Ben Bernanke, chairman of the Federal Reserve recently said, “The challenges faced by the U.S. housing market today reflect, in part...a persistent excess supply of homes on the market; and losses arising from an often costly and inefficient foreclosure process (and from problems in the current servicing model more generally)... Absent any policies to help bridge this gap, the adjustment process will take longer...pushing house prices lower and thereby prolonging the downward pressure on the wealth of current homeowners and the resultant drag on the economy at large.”
- One in five U.S. foreclosures is in California. From 2008 to 2012, nearly 2 million homeowners in California have lost their homes to foreclosure with a home value loss of

over \$630 billion. Local governments have lost more than \$17 billion in tax revenues due to the housing crisis.

- The top 4 banks foreclosing on California homeowners are Bank of America, JP Morgan Chase, Wells Fargo, and Citigroup.
- Local governments must pick up the tab for foreclosures. In California, local governments expend an average of \$20,000 in tax revenues for each foreclosed home by paying for the maintenance of blighted properties, trash removal, inspections, unpaid utility bills, sheriff evictions and so forth.

Sources:

1. <http://www.nytimes.com/2011/12/28/business/daily-stock-market-activity.html>
2. http://www.huffingtonpost.com/bruce-judson/the-foreclosure-crisis-a-b_1193179.html
3. <http://dig.abclocal.go.com/kg0/PDF/Home-Wreckers-Report.pdf>

THE FORECLOSURE PREVENTION ZONE (FPZ) MODEL

FPZ DECLARATION:

We, the people of (name of city or county), pledge our wholehearted support for those homeowners in our community who are facing the hardship of foreclosure and eviction. As concerned residents, and various types of bodies with close ties to this community, we affirm our common purpose of ensuring the well-being of our entire community by responding with compassion, creativity and commitment to the foreclosure crisis. We recognize that while the foreclosure crisis affects everyone in different ways we must respond as a unified community to find lasting solutions. Therefore, in a spirit of trust and hope in a better future to come, we hereby declare (name of city or county) to be a Foreclosure Prevention Zone on this ___ day of _____, 2012.

THREE STEPS FOR CREATING A FPZ:

1. **ORGANIZE** broad support and participation from key sectors in the community. Discuss the FPZ concept with homeowners and renters, financial institutions, religious congregations, civic and social organizations, local government, small businesses, schools, medical facilities, labor unions, artists and musicians and others. Ask them to participate by (a) signing the FPZ Declaration; (b) visiting people who are facing foreclosure and eviction to offer support and assistance; and, (c) participating in

nonviolent direct actions such as occupying the homes of people facing foreclosure and eviction.

2. **EDUCATE** the general public about the foreclosure crisis. Contact local media about potential news stories, write letters to the editor and submit opinion articles. Offer to speak at public events, business groups, religious congregations and schools. Provide printed information (such as leaflets and articles) at various community and organizational gatherings. Identify speakers, such as professors, lawyers, realtors and representatives from non-profit and social service organizations, who can (a) discuss the impact of the foreclosure crisis on local communities and (b) offer lasting solutions. Hold a public forum on the foreclosure crisis and invite homeowners and renters to tell their stories. Make signs, banners and posters for protests and other events. Ask radio and television stations to feature this topic on their shows.

3. **ADVOCATE** with homeowners and renters for effective action from government and lending institutions to implement lasting solutions for the foreclosure crisis. Ask your city council and county board of supervisors to pass the Resolution on the Declaration of a Foreclosure Prevention Zone. Contact your state and federal representatives and senators and ask them to hold hearings and pass legislation that addresses the foreclosure crisis and solutions. If they are already working to pass specific bills, build support in your community for the legislation. Demand that California Attorney General Kamala D. Harris file a lawsuit against lending institutions that have engaged in foreclosure fraud.

ADDITIONAL RESOURCES:

Real Estate Assistance

CJ Holmes cjholmes@cjholmes.com (707) 578-5727 818 Mendocino Ave. Santa Rosa, CA 95401 <http://www.occupy-our-homes.info/>

<http://www.makinghomeaffordable.gov/pages/default.aspx>

Download the document

[Homewreckers – Information about the foreclosure crisis \(pdf\)](#)