

# Fighting Foreclosure

Melonie Griffiths

Note: Look on p. 6 for the definitions of the **bold words** in this article.

Millions of people have lost their homes in the economic crisis. In this interview, Melonie Griffiths, mother of three from Boston, tells the story of how she bought her home, lost her home, and then joined with others to fight her eviction.

## Tell me about buying your house.

The rents in my neighborhood were really high. You had to come up with first month's rent, last month's rent, plus a deposit to get an apartment. I thought, with that kind of money, I should try to buy something. I got a **subprime loan**. I did not have to put any **money down**. But the interest rate was not **fixed**. It was **adjustable**—meaning it would go up after two years.

## How did you feel about having an adjustable rate mortgage?

I was worried about the **adjustable rate mortgage**, but the mortgage company told me they would **refinance** the loan and I should not worry about it.

It wasn't until I got to the **closing**, that I realized what my **mortgage** payments would be. They seemed really high. I didn't think I could afford them, so I said I wouldn't sign the papers. The loan officer wanted me to sign, so she made me a deal. She said she would pay my homeowner's insurance for the first year, *and* she'd make the first mortgage payment for me. She said she would refinance the loan before I had to make the next payment. So I agreed, and I signed the paperwork.

I should have had an attorney with me at the closing, but I didn't. They told me I didn't need one, but I should have known better.



Melonie Griffiths celebrates with others after getting the news that they had successfully blocked her eviction. Photo by Jonathan McIntosh.

## What was it like after you closed on the loan?

Once I started having to make the monthly payments, I really struggled. I tried to contact the loan officer because she had promised to help me refinance. But she did not return my calls. I found out later that my loan officer had gone out of business and the realtor who sold me the house was under investigation.

## What did you do?

I needed help. I couldn't afford the monthly payments. And the house was an old house. It needed a lot of work. I sent what I could to the bank, but they just returned my checks because they weren't made out for the full amount. No one would talk to me about **restructuring** my loan or helping me figure out what to do. I ran around looking for help. Everyone said it was my fault. I should not have gotten myself into this situation.

**Some people would say it was your fault. No one forced you to sign the papers.**

Well, I think we are all responsible. As the consumer, I definitely have part of the responsibility. But the banks and the loan officer are responsible too. They made a lot of money during the **housing bubble**. But when the bubble burst, the banks got **bailed out** by taxpayers' money. It seems like we all made mistakes, but the only ones paying for the mistakes are regular people – people like me who not only lost our homes but also have to finance the bank bailout with our tax dollars.

**So, on the one hand you felt responsible, but on the other hand you felt like something larger was going on that wasn't fair. What did you do about it?**

I found City Life/Vida Urbana, an organization that defends tenants' rights. When I came to the office in tears, they listened to my story. I told them the bank had **foreclosed** on my home and that they were going to **evict** me. I had nowhere to go. I had used all my savings and my 401K trying to keep up with the mortgage and deal with all the expenses of owning a home. I was worried about my kids. I have two teenage sons, and it's hard to create a safe environment for teenage boys. The

### Did You Know?

**One out of 20 mortgage holders is at least two months behind on their payments.**

**15.4 million homeowners are “under water” – meaning they owe more than their house is worth.**

**Every 13 seconds banks foreclose on another home.**

**Experts predict that banks will foreclose on 2.4 million homes in 2009.**

**Sources:** <<http://online.wsj.com>>, June 1, 2009; <[www.nydailynews.com](http://www.nydailynews.com)>, June 1, 2009; <[www.responsiblelending.org](http://www.responsiblelending.org)>.



*Melonie Griffiths talks to reporters who came to cover the eviction blockade organized by City Life/Vida Urbana. Photo by Jonathan McIntosh.*

streets can be dangerous. I wanted them to have a stable home.

I learned that this was happening to people all over the city. Thousands of people had gotten subprime loans. In 2008, there were over 1200 foreclosures on single- and multi-family homes in Boston. This translated into about 2400 **evictions**, which affected 4000-5000 people. There were parts of my neighborhood that had dozens of empty homes. It's not fair that banks could be out there selling a bad product, convincing people to sign on to mortgages they could not afford. We needed to do something. All these foreclosures were disrupting too many lives and they were destroying our communities.

**What did City Life do to help you?**

City Life helped me figure out how to fight the eviction. First, they tried to negotiate with the

bank. They said to the bank, "Since you are now the owner, why don't you let her stay in the house and pay rent to you? Then she and her family will have a place to live, and you will be getting income on the house." The bank said no to that. The bank insisted that I should be evicted.

### **What happened next?**

We organized supporters to come out and rally in front of my house on the day of the eviction. Some people agreed to chain themselves to the door so the moving company could not get in and remove my furniture. I was scared. If the **blockade** didn't work, I would be without a home.

But the blockade did work. The bank did not want all the bad publicity, so they gave me some more time. During this time, things started to change for me. I had felt depressed, ashamed, and embarrassed. I had thought I was the only one going through this problem. I was beating up on myself. I had always lived responsibly, worked, paid my bills and my taxes. And all of a sudden, I was on the verge of being homeless.

### **What was it like for you personally to be part of the blockade?**

I felt empowered because I found my voice. I found lots of others who were like me and who

understood my situation. The television news covered the eviction blockade, and the next day the phones at City Life were ringing off the hook. Lots of people were stepping forward to talk about how they faced eviction. We didn't think it was fair or right that so many people should lose their homes. We formed the Bank Tenants Association and we've stopped or delayed more than 300 evictions in Boston in the last two years. 95% of the people who come to us for help are still in their homes. 95% of the people who don't come to us for help have lost their homes.

### **What else have you accomplished?**

We're showing that this system doesn't make sense. It costs the taxpayer more money to evict a family than it does to find a way to let them stay in their home. Meanwhile, the taxpayer has to pay for the banks to get bailed out as well. They took these big risks with subprime mortgages, but they don't have to pay for it when it goes bad. Where is the justice in that?

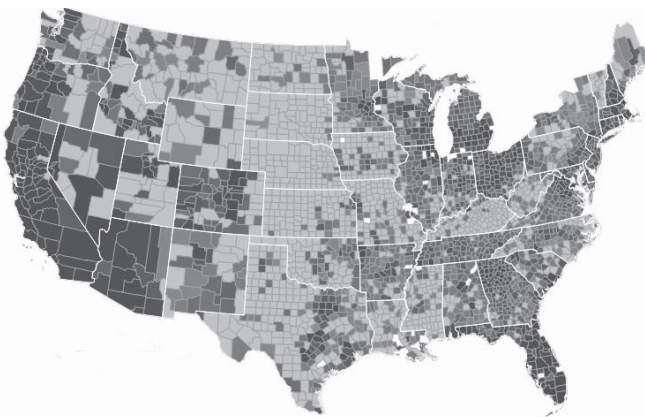
*Melonie Griffiths is a tenant organizer at City Life/Vida Urbana. She is the mother of three children. She has dedicated herself to making sure that no one has to go through what she went through.*

### **Watch it!**

**Link to a Bill Moyers special** <[www.pbs.org/moyers/journal/05012009/watch2.html](http://www.pbs.org/moyers/journal/05012009/watch2.html)> on City Life/Vida Urbana, including an interview with Melonie.

**Watch a 5-minute video** <<http://fightingforourhomes.com>> of people telling the stories of their foreclosures.

**Listen to a mortgage broker** <<http://fightingforourhomes.com>> tell how he was trained to encourage people to accept bad loans.



*This map shows foreclosure actions to housing units. The highest concentrations of foreclosure actions are the darkest areas – about one house in every 56. The lighter grey areas have a lower concentration of foreclosure actions – about 1 in every 65,726.*

*Source: [www.realtytrac.com](http://www.realtytrac.com)*