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Dear State Attorney General Kamala Harris:

I would like to have a sit-down meeting with you regarding the national settlement deal signed Thursday February 9, 2012. I am a foreclosure fraud advocate in Los Angeles, a part of a coalition of foreclosure fighters.

Foreclosures have cost California \$650 billion in home value loss, property taxes, and costs to local governments for additional costs on foreclosed home. You settled for \$18 billion. That is less than 3 cents on the dollar.

As you know, there have been 1.2 million homes foreclosed on in our Golden State since 2008. This \$18 billion dollar "deal" equates to \$150 for each foreclosed home. Roughly 750,000 Californians will receive up to \$2,000.

I want you to explain to me how these measly amounts equal any kind of justice for innocent Californian homeowners.

You said that Los Angeles County would get approximately \$3.93 billion in so-called relief. However, there are 80,000 homeowners who are underwater by \$7.3 billion, in the City of Angels alone (not including the county as a whole which is the most populous in the nation).

In addition, foreclosures have cost the City of LA's local government \$1.2 billion in foreclosure-related costs of maintaining blighted buildings. That brings the estimated cost of foreclosures in the city to \$8.5 billion dollars.

This settlement leaves the City of Los Angeles and Angelenos with an additional \$4.57 billion not accounted for in the settlement.

Furthermore, this settlement does not allocate \$18 billion in cold-hard cash to California. Instead, the 5 largest banks only have to collectively pay \$5 billion in penalties. The rest of the so-called relief comes in the form of bank program and benefits like "paying off unpaid debt to the banks" and "cash-for-keys programs".

The largest chunk of the settlement includes "offering short sales to homeowners who are behind in payments or 'underwater'". The banks have already been gearing up to push their "Cash-for-keys programs" by offering \$10-35,000 to hasten innocent homeowners out of their homes.

These programs only benefit the banks because they make 2-3 times the amount of the unpaid loan through mortgage insurance and tax write-offs. Short sales are quicker and cheaper than foreclosures for the banks. Banks only maximize their profits when they pressure the people out of their homes.

In a lot of these cases the banks do not even legally have the right to the home because of the fraudulent activity the banks themselves have committed. Removing homeowners only benefits the banks in covering up the profitable fraud they have committed and you have just signed a deal that will allow them to profit further and cover up their crimes.

I want an in-person meeting in Los Angeles with Kamala Harris, Michael Troncoso, and Ben Diehl along with a handful of homeowner advocates who have been fighting foreclosure fraud. If you are serious about bringing justice to Californians hit hardest by this crisis, then you really need to listen to our petition for redress of grievances on this matter.

Sincerely,
Cheryl Aichele
Occupy LA Activists
cherylaichele@gmail.com
310-694-2523

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OCCUPY: FORECLOSURES COST CALIFORNIA \$650 BILLION; AG SETTLES FOR \$18 BILLION
Members of Occupy LA Rally Outside AG Press Conference to Protest Settlement Details

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LOS ANGELES – As California State Attorney General Kamala Harris announced Thursday that the nationwide settlement with banks over foreclosure abuse could be worth up to \$18 billion to California, Occupy activists protest the announcement claiming it does little for Californians who were among those hardest hit by the crisis.

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Foreclosures have cost California \$650 billion in lost home values, property taxes, and additional foreclosure-related costs to local governments, according to a report released last December by California Reinvestment Coalition (CRC) and Alliance of Californians for Community Empowerment (ACCE).

The national settlement gives California \$18 billion -- less than three cents on the dollar.

The \$650 billion figure does not include the value of the 1.2 million homes from California families who banks improperly foreclosed upon since 2008. The settlement with the five largest mortgage banks – Wells Fargo, Bank of America, JPMorgan Chase, Citigroup, and Ally Financial-- total amounts to only \$150 per foreclosure statewide.

About 750,000 families will receive up to \$2,000, a minor amount compared with the value of the homes.

The settlement will not help hundreds of thousands of homeowners in California as Kamala Harris claims, accounting to Occupy activists, who rallied outside the press conference to protest the details. Harris called the settlement a tremendous victory for Californian homeowners. Activists could not disagree more.

“No deal is worth selling out Californian families from appropriate justice,” states Suzanne O’Keeffe, author and Occupy activist, at the rally.

Harris estimates homeowners in Los Angeles County will receive \$3.93 billion.

However, the city of LA alone has nearly 80,000 homeowners underwater by \$7.3 billion according the “Wall Street Wrecking Ball” report release in December by CRC and ACCE. In addition, the typical foreclosure costs local governments nearly \$20,000 each for increased costs of safety inspections, police and fire calls, trash removal and maintenance of blighted buildings which costs an additional \$1.2 billion for the City of Angels alone.

According to Harris some of this money will go towards “paying off unpaid debt to the banks”.

The largest chunk – more than \$12 billion – will go towards banks pressure on even more homeowners to sale their homes for less than they owe in real estate transactions called short sales. Bank programs offer homeowners \$10,000 - \$35,000 to leave their homes in programs called “Cash for Keys”.

Occupy Activists warn against such “Cash for Keys” incentives because the banks make 2-3 times the amount of the unpaid loans in mortgage insurance payouts and tax write offs. Short sales are usually easy ways for banks to make money and save time. The banks realize these transactions are faster and cheaper than foreclosures.

“Due to all this fraud, the banks really don’t own your home,” states Carlos Marroquin, a homeowner advocate and Occupy activist, “But if they can get you to leave for pennies on the dollar, they can try to cover up that fraud and continue to profit on the property.”

Only 28,000 Californians will receive help refinancing their loans if their interest rates are above 5.25% and they are current on their loans but owe more on their loan than the value of their home— considered underwater— for a only \$849 million.

Activists say the separate enforcement guarantee that Harris received to make sure banks would honor their commitments by certain deadline falls even shorter than the settlement deal. Penalties for the violating the agreement could include just hundreds of millions of dollars to the state.

“The banks caused trillions of dollars in damages,” states Marroquin, “and they get a slap on the wrist for what we consider the crime of the century. And if they don’t comply, then their punishment costs even less.”

Occupy activists rallied outside of the Ronald Reagan State Building where the press conference took place and where two arrests took occurred. Officials refused activists access to the building. Activist felt official denied their First Amendment Rights to petition their government for redress of Grievances.

“Kamala Harris held this press conference for the media only, out of sight of the public and the victims of these crimes -- we have a right to be there,” says Marroquin. “We have a thousand unanswered questions. Each time we have requested that she meet with us, she refuses. She’s failing to hear us. The whole thing’s a fraud.”

Harris’ statement says that California maintains the right to investigate and prosecute claims of wrongdoing by the banks, but falls short of firmly committing to ensure justice is served to the people of California. Occupy activists say they will continue to press for full investigations and prosecutions.

“Why would they settle before completing an investigation,” asks Mariska Leyssius, Occupy LA activist in attendance, “this deal only benefits the banks.”

Occupy activists have changed the national conversation and now want to make sure Californians and the American people understand that fraud is a business model for Wall Street and these banks and the government is letting them get away with it.

“There cannot be a stable democracy or economy when there is clearly one set of laws for the 99% and no laws at all for the 1%,” states O’Keeffe.

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Contact: Cheryl Aichelle [310-694-2523](tel:310-694-2523)