



Helping Hands



Dolores Sharrock, owner of a two-family house in danger of foreclosure in Queens, speaks to an ACORN representative at a housing crisis workshop in a Queens church gymnasium sponsored by the Roman Catholic Diocese of Brooklyn. SOURCE: AP/Tina Fineberg

By **Lindsay Barrett** | July 24, 2008

Places of worship have plenty in common with the subprime mortgage crisis and the subsequent sharp rise in home foreclosures: They share the same neighborhoods.

Many churches and temples are helping their congregations in a variety of ways in the wake of these economic disasters. Congregations are hosting loan workshops with experts from community organizations such as the Association of Community Organizations for Reform Now, or **ACORN**, and working with neighborhood housing organizations to provide foreclosure counseling.

Catholic Charities offices in Brooklyn and Queens, for example, sponsored a community forum in February to assess the state of home foreclosures in those two boroughs, which accounted for 10,000 of the 14,000 foreclosures in New York City last year. Called “The Mortgage Crisis: Impact on Individuals, Families and Communities,” the forum gathered over 200 community leaders, financial counselors, and advocates to discuss key issues, share expertise, build public-private sector networks, and identify both short-term and long-term solutions to the housing crisis.

Neighborhood churches followed up the forum by holding informational workshops for parishioners during the first part of this year that connected borrowers with financial counselors. The counselors reviewed the borrowers’ mortgage terms and raised key issues of the broader crisis.

Besides providing community services, religious groups are active on the policy front, urging passage of legislation that provides protections for homeowners and requires reasonable regulations of the loan industry. In New York, Catholic Charities met with state legislators and also organized grassroots groups to mobilize and make phone calls to legislators on behalf of a Senate bill that would provide tighter regulations on lenders. The bill, S. 8143, would also require lenders to provide early conferences with borrowers to avoid foreclosure and refer them to loan counseling before foreclosing. The New York State Assembly passed the bill in June.

The **Jewish Council for Public Affairs** is also organizing support among its 14 local agencies to urge passage of federal legislation that would revise mortgage insurance eligibility requirements, provide more loan counseling opportunities, and allow for more government oversight of the mortgage industry. JCPA issues action alerts to its local agencies, asking them to organize citizen calls to Congress regarding upcoming legislation. JCPA is also sending economic experts to train community leaders in holding workshops, introducing parishioners to crucial elements of the mortgage crisis, and working with them to avoid home foreclosures.

But even before the home foreclosure crisis hit the headlines, places of worship were active, working with their congregations to prevent members from losing their homes. One of the important participants in this effort is the **National Black Church Initiative**, a coalition of 16,000 congregations that was created in 1994 to address financial and health disparities within the African-American and Latino communities.

About two years ago, NBCI staff began receiving calls from concerned coalition ministers whose parishioners were facing serious financial problems. Many of the parishioners had been sold high-cost, subprime mortgages with suddenly escalating monthly payments that they were unable to pay. Parishioners needed mortgage assistance, advice, and information, which prompted NBCI to approach Fannie Mae and the Mortgage Bankers Association for help.

Together, they created the **Foreclosure Prevention Guide**, which offers resources for families in economic distress, including a list of agencies to contact, steps to avoiding foreclosure, guidelines for making smart fiscal decisions, and a glossary of financial terms. Since February 2008, NBCI has distributed over 140,000 copies to churches across the country, with another 50,000 being printed because of high demand.

Says NBCI President and Founder Reverend Anthony Evans: “Our main objective was to keep families together. To do that, we built coalitions to provide educational opportunities in places like Wayne County in Detroit that were so affected by the mortgage meltdown.”

One of the reasons the African-American and Latino communities have been hit hard by home foreclosures is because of the prevalence of unscrupulous predatory lenders in low-income communities of color. A recent **study** by the New York Law School found that residents of New York City’s minority neighborhoods were five times as likely to receive a subprime home mortgage loan than residents of white neighborhoods.

In addition, minorities are prone to loan discrimination. A government **study** in 2002 showed that, among applicants with the same credit background seeking a mortgage from the same lender, racial minorities were more likely to be denied basic information about loan options and more likely to be offered loans with higher interest rates.

The National Black Church Initiative also operates the Financial Literacy Initiative, which provides financial education regarding the importance of personal savings for long-term stability and success. Working with groups like the **Consumer Federation of America** and its **America Saves Campaign**, NBCI offers workshops on these issues to congregations in its coalition.

In addition to economic concerns, NBCI works on many other issues affecting minority communities. Its mission is to “eradicate racial disparities in healthcare, education, housing, and the environment” within African-American and Latino communities. To that end, it has developed six core programs:

- A health disparities initiative that uses faith-based organizations as health educators
- A baby fund to fight neglect and abuse of babies
- A health and wellness program for children and adults
- A financial literacy program that emphasizes savings, investment, and long-term financial planning
- A technology information literacy program that works to provide access to technology for all Americans
- An environmental initiative that educates congregations on environmental protection and preservation

Professor Eva George, professor of African American history at Capital University in Columbus, Ohio, believes NBCI is fulfilling an important and historical role of social advocate and educator in the African-American community.

“It’s not just seen as church, it’s so much more than that,” says George. “The black church is more like a network based in faith and politics because the two have been so intertwined historically. This informal network has always been the basis for African Americans to come together and the ‘church’ is also the basis for social movement.”

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