

OPINION

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Reforming the Subprime Mortgage Industry

Focus on struggling homeowners

BY MARC H. MORIAL

The subprime mortgage meltdown that has been going on finally appears to be spurring serious efforts to reform the industry. It only took the implosion of a prominent hedge fund, a wildly erratic Dow Jones Industrial Average and the specter of lower holiday bonuses for Wall Streeters to grab headlines worldwide.

Don't forget about the nearly one in every 134 American households that entered into foreclosure in the first six months of 2007, up 56 percent from the same period in 2006. Or the 180,000 new properties that went into foreclosure in July,

up 93 percent from the same month in 2006.

Back in March, the National Urban League attempted to address the impending disaster through our Homebuyer's Bill of Rights before it started to trigger shockwaves in international credit markets and to send hedge fund analysts to the unemployment line.

At the time, policy makers and government officials were reluctant to support greater regulation to give the market a chance to correct itself. Guess what? It didn't happen. So far this year, nearly one million properties are under the threat of foreclosure.

As the subprime fiasco has played out, the powers that be carted out to quell investors' fears seemed to be increasingly hedging their bets regarding the fallout's ultimate impact even before the market's

recent rollercoaster ride, as The New York Times' Gretchen Morgenson observed back in early July.

In early August, the Federal Reserve revealed that it was "watching the housing meltdown" but "that it believed the broader

Let's just hope that Wall Streeters left jobless by bankrupt hedge funds don't hold subprime mortgages.

The lack of federal action, the New York Times recently reported, has prompted legislators in more than 30 states to introduce nearly 100 bills to

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economy was on a steady path of growth." But by mid-month, the Fed had lowered its discount rate and expressed "concern about the markets and the possibility of a downturn in the economy."

Glad to see they're gradually coming around to our point of view.

crack down on predatory lending practices and stave off foreclosures. Maryland, Massachusetts, New Jersey, New York, Ohio and Pennsylvania have sought to help struggling homeowners refinance their mortgages.

North Carolina Gov. Michael F.

Easley recently enacted legislation designed to protect subprime borrowers from mortgages with risky interest rates. "If Washington isn't going to act, the states are," he said.

But if the regulation is left up to the states, we'll be left with a complicated patchwork of regulations that'll make compliance maddening for mortgage lenders who operate nationwide. This is where our federal government needs to take responsibility.

Fortunately, lawmakers on Capitol Hill are pushing for tougher regulation with stricter rules against and harsh penalties for deceptive and unfair practices, among other reforms. Rep. Barney Frank, chairman of the House Financial Services Committee, holds a chairmanship and is a sponsor of anti-predatory lending legislation. That bodes well for something getting done sooner rather than later.

President George W. Bush has

instructed the U.S. Treasury Department to consider all the options to help stressed borrowers. During a recent CNBC interview, Senate Banking Committee Chairman Christopher Dodd said he would be promoting legislation establishing low-interest rate low-risk mortgages.

If there's a "silver lining" to the subprime lending crisis, Frank observed to the Times, it is that it proves that absence of regulation can be bad for business. "Anyone opposing more regulation can no longer say, 'if it ain't broke, don't fix it,'" he said.

Our leaders owe it to the hundreds of thousands of Americans struggling with their mortgages to reform the lending process before the rising tide of foreclosures drowns us all as well as our economy.

Marc H. Morial is president and chief executive officer of the National Urban League.

Letters to the Editor

Helping Each Other

I was so pleased to see my friends in the Portland Observer (Katrina Evacuees Still Hurting, Aug. 22 issue). The story was a true and valuable assessment of our situation.

Mr. Willie Brown of the Black Citizens Coalition of Portland was exactly right. How do you rebuild your entire life in 2 years?

TV viewers really didn't get the exact picture of Katrina's devastation. Spike Lee was very close, though. You see, "the levees breaking, dynamited, etc." was an urban myth that's been around since Hurricane Camille. The levees were our security blankets. Even when the weather was at its worst, we knew we'd be all right. We had faith in the Corps of Engineers. I mean, that's the federal government. They wouldn't let us down, would they?

And that's what is so hard, we were let down. President Bush flew low over our house on Tuesday morning after the disaster... black hawk helicopters and jets flanking and all. We thought hooray! Help is here! Wrong... even the poorest of us had enough for 3 days...but that's not enough folks. You need food, medicine, toilet paper, and

batteries for a month.

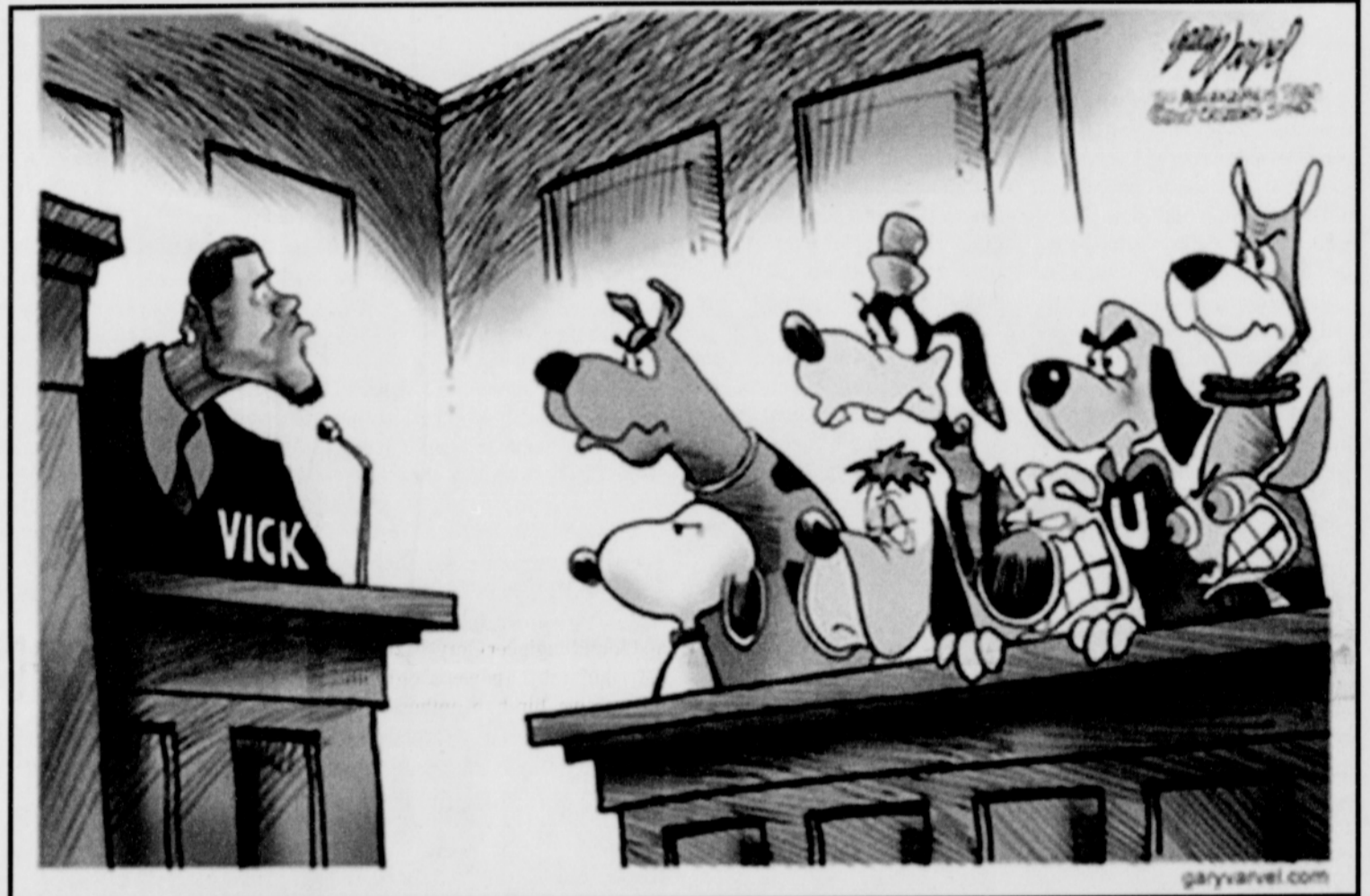
We were lucky. We had 20 minutes to gather things before friends had returned to evacuate us. So we have a few basic things like medical records, legal documents and photos. Practically every female friend of mine now has Diabetes Type II from the stress of it all.

The main point is we all have to help each other. The feds just have enough money for each other, not poor people! So please, reach out and help individually any Katrina survivor you can. We still need help with health coverage, clothing, stable long-term employment and church involvement.

There is zero left in New Orleans for us to return to. Charity Hospital is closed. 70 percent of the medical professionals left town and the state mental health system is completely overloaded.

Since the Black Citizens Coalition was kind enough to "take the rest of us in," please call Mr. Brown at 503-288-8123 with your offers of help.

Kristin Dickerson
Southeast Portland resident
and Katrina survivor



This Debate is about Justice

Hate crime law should include gays

BY JUDGE GREG MATHIS

Hate crimes are legally defined as crimes, usually violent, that tar-

get a victim because of his or membership in a certain group, usually defined by race, religion or ethnicity.

According to the FBI, more than 15 percent of hate crimes reported to police in 2004, the last year for which data is available, were committed against homosexuals. Over 60 percent of these attacks were against gay men and 14 percent against lesbians. These numbers are significant and clearly illustrate that a gay person's very being is threatened. Yet, there are many, including large sections of the religious community, who don't think the pending hate crime bill should be expanded to protect gays.

Currently, federal law increases the sentences - extending to life in prison - for violent crimes motivated for no other reason than the attacker didn't like the victim's racial, religious or ethnic group.

The new hate crime bill, which just passed the House

fear, however, is unfounded.

The law would criminalize violent acts against gays. It does not limit free speech. There are ministers who support the bill, recognizing the basic human right to live a life free of persecution. In fact, many of these ministers, along with prominent civil rights leaders, have come forward in support of the extended law.

This debate is not about sexual orientation. It's about justice. And making sure all groups receive it.

The Leadership Conference on Civil Rights calls the expanded hate crime law "one of the most important civil rights issues currently facing the country."

For those who protest homosexuality on the basis of religious beliefs, it is important to remember that the bible also teaches us to



It is time we move beyond our personal feelings on this issue and acknowledge and accept that no American should live in fear.

and is pending in the Senate, would extend the law to protect gay and transgender victims and expand the circumstances under which local authorities could ask for assistance from federal agencies.

The law's critics, many of whom are conservative religious leaders, say this expansion will limit their ability to speak out against homosexuality from the pulpit, criminalizing their sermons. This

lift up and protect our fellow man. The Book also teaches us that all man is worthy of love and protection. It is time we move beyond our personal feelings on this issue and acknowledge and accept that no American should live in fear.

Judge Greg Mathis is national vice president of Rainbow PUSH and a national board member of the Southern Christian Leadership Conference.

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