

LAW & JUSTICE

NAACP says Blacks Steered to Bad Loans

Lawsuit targets lenders

(AP) — The NAACP is accusing Wells Fargo and HSBC of forcing blacks into subprime mortgages while whites with identical qualifications got lower rates.

Class-action lawsuits were filed against the banks March 13 in federal court in Los Angeles.

The NAACP is seeking reforms from the banks such as increased transparency in the loan process, educational outreach and internal training.

"It is time for these lenders to be held accountable," said NAACP President Benjamin Todd Jealous, "We look



Benjamin Todd Jealous

forward to forcing real change and real relief through this lawsuit."

Black homebuyers have been 3 1/2 times more likely to receive a subprime loan than white borrowers, and six times more likely to get a subprime rate when refinanc-

ing, said Austin Tighe, co-lead counsel for the civil rights organization.

Tighe said African-Americans still were disproportion-

& Co., called the lawsuit "totally unfounded and reckless." The bank is receiving federal bailout funds.

"We have never tolerated,

It is time for these lenders to be held accountable. We look forward to forcing real change and real relief through this lawsuit. — Benjamin Todd Jealous, NAACP President

ately steered into subprime loans when their credit scores, income and down payment were equal to those of white homebuyers.

Melissa Murray, vice president of corporate communications for Wells Fargo

and will never tolerate, discrimination in any way, shape or form in any of our business practices, products, or services," Murray said.

An NAACP member, Amara Weaver of Milwaukee, said she was one of the

victims of predatory lending. She bought her first home in 1984, receiving a 6.25 percent fixed-rate mortgage. She says she had a steady job as a human resources director for a social services agency, never missed a mortgage payment and maintained excellent credit.

In 2004, she wanted to buy the house next door for her son to live in. She said the bank promised her a low fixed rate for a \$40,000 loan, but at the closing, when reading the fine print, she noticed that the rate was actually 11 percent.

"I was blown away," said Weaver, an NAACP member. "I didn't have any choice (but to sign). ... It made me feel violated."

Similar NAACP lawsuits are pending against a dozen other subprime lenders.

"This is systematic, institutionalized racism," Tighe said. "Once you take out factors relative to income and credit risk, the only difference between the borrowers is the color of their skin."

Tighe estimated that "tens of thousands" of blacks had been forced into bad loans, but said it was difficult to gauge the scope of the problem because banks keep much of their internal data private. The lawsuits could force banks to divulge closely guarded information, such as how banks can determine the race of a loan applicant and how federal bailout funds are being spent.

Spring Break Scam Warning

Oregon Attorney General John Kroger is warning parents about scams that involve bogus stories about kids on Spring Break getting into car accidents, plane crashes or going to jail after police break up a wild party.

Con artists call in the middle of the night and tell parents that children on Spring Break have been hospitalized or jailed. Confused and worried parents are told to wire money to a "friend" to pay for medical help or bail.

The scammers can ma-

nipulate caller ID to make their scam seem more legitimate.

Parents are told they must immediately find a 24-hour money transfer service. By the time parents realize they have been scammed, the money and the scammers are gone.

Kroger says parents should pre-arrange ways to easily communicate with their children while on Spring Break either by cell phone or through trusted adults or friends on the same trip.

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Crimes Stoppers Tracks Assault



Portland Police and Crime Stoppers are asking for the public's help in identifying a woman accused of beating another woman at a New Year's Eve party.

On Jan. 1 at about 1:30 a.m., the 27-year-old victim was dancing at the City Sports Bar, 424 S.W. Fourth Ave., when the woman smashed her in the face with a glass and began beating her, police said. The assault opened a cut on the victim's face requiring 37 stitches to close.

Investigators believe the suspect was with a group of at least three other women. She is described as a black female in her 20s, medium build, 5 feet two inches, wearing long curls. She might have

a tattoo on her right upper arm.

The suspect may have been assisted by another black female in her 20s who is about 4 feet six inches with a heavy build, and straight black hair. Police released a photo of the suspect and her companion, who may have been involved or simply witnessed the assault, showing them as they appeared at the club.

Crime Stoppers is offering a cash reward of up to \$1,000 for information, reported to Crime Stoppers, that leads to an arrest in this case, or any unsolved felony, and you remain anonymous. Call Crime Stoppers at 503-823-HELP (4357) or leave a tip online at crimestoppersoforegon.com.

A photo provided by police shows a woman (left) accused of assaulting another woman at a New Year's Eve party, downtown. Police said her companion (right) may have been involved or simply witnessed the assault.

Prison Alternatives Cut Crime and Costs

A new national report with data for the 50 states shows that strong community supervision programs not only cost significantly less than incarceration but when appropriately resourced and managed can cut recidivism.

According to the study,

states can cut both crime and spending by reallocating criminal justice system expenses to fund stronger supervision of the large number of offenders in the community.

Diverting the offenders to community supervision programs also frees up prison

beds needed to house violent offenders.

The study found that, in Oregon, for every dollar the state spent on prisons in 2008, the state spent 27 cents on probation and parole.

"Violent and career criminals need to be locked up, and for a long time. But our re-

search shows that prisons are housing too many people who can be managed safely and held accountable in the community at far lower cost," said Adam Gelb, director of the Pew Center on the States' Public Safety Performance Project, which produced the report.

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