

# Plan to bilk Black homeowners backfires

By Harry C. Alford  
Special to Sentinel-Voice

Blacks wishing to buy their "Dream Homes" have been targeted by evil characters with fast cash and easy credit rip offs. They don't disclose costs such as taxes and various creative fees generated by them. These are known as subprime mortgages. My brothers and sisters, please stick to prime mortgages, the kind you get from major banks and are fully government regulated. They won't let you get a mortgage you can't afford; therefore, all situations normal, you won't be led down the road of foreclosure and disaster.

Critics of this program often say they target "low-income and minority families." But the more I study it, I see that the targets are minority basically — especially Black — without regard to income.

As an example, in the state of Maryland, the most prolific county victimized by these subprime mortgages is none other than Prince Georges County. Prince Georges is the most financially well-off county for Blacks in the United States. However, every subprime hustler available is quite active there.

An officer of the Federal Deposit Insurance Corporation told me, "We held a homeowner workshop there and the phone line for Foreclosure Trouble and Assistance was quite longer than the line for First Time Home Buyers Assistance. After that, they con-

structed a map of Maryland counties and put red dots in neighborhoods festered with these high-risk subprime mortgages.

Prince Georges County, clear and away, led the entire state. In fact, it was the only county that was pure red by all the dots — they blanketed it.

What happens is "money managers" from Wall St. put together hedge funds (pools of money from people and firms who don't want to be openly exposed) to go after and exploit these risky but high-interest subprime mortgages.

Some of these subprime mortgages can yield 20-28 percent interest until the buyer or "sucker" defaults and loses the home. The money managers and their investors hope to recover loses from the foreclosure auctions and other liquidation tactics. But now the rate of foreclosures is surpassing the wildest dreams of the money managers. Their vision of windfall is turning into waterfall. Homeowners can't work it out, and their credit is destroyed for at least 13 years, and their family life shreds into nothing.. Divorce and friction is inevitable.

A recent article from *The New York Times* (June 23, front page) stated:

"Bear Stearns Companies, the investment



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bank, pledged up to \$3.2 billion in loans yesterday to bail out one of its hedge funds that was collapsing because of bad bets on subprime mortgages... Bear Stearns averted a meltdown this time, but if delinquencies and defaults on subprime loans surge, Wall Street firms, hedge funds and pension funds could be left holding billions of dollars in bonds and securities

backed by loans that are quickly losing their value... The firm is, meanwhile, negotiating with banks to rescue the second, larger fund started last August, which has more than \$6 billion in loans and reportedly holds far riskier investments. Those negotiations were continuing yesterday, and it was unclear whether they would be successful... Some lenders, including Merrill Lynch and Deutsche Bank, balked and moved to sell assets. At one point recently, nearly \$2 billion in securities were listed for sale, although some banks, including JPMorgan, eventually canceled scheduled auctions... In the wake of the weak auctions, several other lenders, including JPMorgan, Citigroup, Goldman Sachs and Bank of America, reached deals with Bear Stearns. At least some of the deals involved the lenders selling the securities back to Bear Stearns for cash, although the prices were not disclosed."

I say good for them. God don't like ugly. And this was certainly ugly. Targeting Black families for money hustles and eventual disaster is about as low as you can get.

Remember, they set up these pools of money to rip off unsuspecting minority families by not disclosing prohibitive fees, upcoming property taxes that will be exaggerated because the appraised values of the homes are unreal and extremely overvalued. They can do it because they are loosely regulated by the federal and state governments, unlike prime mortgages.

People are led in because of the unreal "estimated mortgage costs." Some people are overwhelmed two to three months into it. There are actually some who cannot afford the first monthly installment after they have signed away everything and the real costs become exposed.

These fly-by-night mortgage brokers are of a lower character than dishonest used car salesmen. In fact, you can get a mortgage broker license easier than you can get a beautician license. That needs to be changed, or we should make such licenses defunct and illegal. It would save a lot of Black families from economic destruction.

Let's get on the offensive in fighting this "pox" on our communities.

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## Myth and reality: 'They will follow us here'

By Ron Walters  
Special to Sentinel-Voice

One of the things both our political leaders and we must do is seriously examine the various myths that have undergirded the Bush administration's pursuit of the Iraq War.

Like the fallacious "Domino Theory" that was hatched in the Pentagon during the Vietnam war, the myth that "if we don't fight them there, they will follow us here" is one that sustains supporters of the Iraq War today.

To begin with, I think those who believe that we must fight radical Islamists in the Middle East or they will follow us here are a little late. They have followed us here, and 9/11 is the proof of it; the bombing of the USS Cole is proof of it; the 1998 bombing of American embassies in East Africa was proof of it, and the bombing of the New York Trade Center is proof of it.

In short, the opposition of various factions in the Middle East to the U.S. government has been expressed time and again — and

the impetus was not direct U.S. involvement in war in that region, it was the treatment of the Palestinians through the proxy support of Israel.

In 1978, when Andrew Young was fired from his job as the U.S. Ambassador to the United Nations, I accompanied a delegation of the Southern Christian Leadership Conference to Lebanon on a mission of peace.

The point of the mission was to establish that African-Americans, as taxpaying citizens of the United States, had a voice in Middle East foreign policy. On that mission, we went into the refugee camps of Shatila and Sabra and visited with people who had been bombed out of their homes.

At one stop, I was asked a heart-wrenching question by an old woman sitting on the



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floor: whether as an American I had come to bomb them, too.

The next day, we were taken out to the battlefields in Southern Lebanon to see the deployment of troops by the Palestine Liberation Organization along a route that we were told could be bombed at any minute. When we stopped, after a great deal of travel on foot, I found exploded cluster bombs with

U.S. military markings. In the talks with all sides — whether Lebanese officials, the PLO, Maronite Christian Amine Gemael, and other clerics — they were sensitive to the U.S. Israeli tie and deeply felt U.S. complicity in bombing.

We wanted to discuss these issues with Israeli officials, but were refused entry into the country.

Today, the American military operation in Iraq — whatever its purpose — has created a

second generation of resentment with a cause to continue to take revenge for various actions we have taken there against their people. What are we to do about those who have been detained and tortured at Guantanamo, many of whom are proven non-combatants; about the serious violations of human rights of prisoners under the Geneva Convention for dehumanizing actions in Abu Ghareb; about American troops bursting into the homes of Iraqis in the middle of the night, frightening families, interrogating men made to assume the embarrassing position face down on the floor in front of their families?

Have we created in them the motivation to "follow us here?"

The collateral myth of sanitizing Iraq of Islamic militants in the center of the Middle East, in an area of unlimited Islamic man-and woman-power, has proven to be an illusive goal. Nevertheless, even if it were possible, there are serious questions with respect to how long it would hold, what the nature of American pressure would be to retain it and how many more thousands of dedicated enemies we would make in the process.

The mantra that if we don't defeat them there "they will follow us here," raises many questions about the nature of the American campaign in Iraq and the unimaginable belief that the way we engage opposing forces there will have no effect on their attempts to defeat us in the future.

Does it mean that we can cripple their will? Does it mean that we can disorganize their forces and destroy their infrastructure? Does it mean that we can establish sufficient barriers somehow to prevent them from reaching strategic U.S. targets elsewhere?

I am not sure what is meant exactly. I do know there is a human thing operating in the hearts of people that causes them not to for-

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dividual book vendors? Well, I spoke to five Black book dealers from across the country; they have been priced out of the NAACP convention market, whose booths cost more than \$800 each. They cannot afford to go to the convention now because they will not have the right to sell certain books, and the NAACP will certainly not allow more than a couple of book dealers to be there as vendors. One bookstore owner was told, "You can sell bookmarks." What?!!!!

This situation is insulting, and it speaks to the psychological conditioning that still rules some of our people. How can any Black person who works at a Black organization and has just a hint of intelligence and knowledge

of self, take a convention to a Black city, and not at least consider the possibility of there being a Black bookstore in that Black city that could organize and manage a Black Authors' Pavilion? I'm at my wit's end on this one, Brothers and Sisters.

So what now? Unless things change real soon, and I doubt they will, Black folks who attend the event should not patronize the Pavilion. You can still purchase the showcased authors' books from the Shrine of the Black Madonna or another Black bookstore in Detroit. You must refrain from supporting this asinine move by the NAACP National Office. And here's the toughest recommendation: Those Black authors participating in the Pavilion should refuse to do so. But, assum-

ing that won't happen, I would ask that they at least put in a good word for Black bookstores with the NAACP, Okay?

It is ironic and sad that the words, "We have met the enemy, and he is us," are attributed to a comic strip character named Pogo, placed on a poster by Walt Kelly in 1970.

In 2007, Black people are, indeed, our own worst enemy. And in the words of another Kelly (Jim), the actions of the NAACP National Convention come "straight out of a comic book." In spite of having lost our minds, may Brother Amos Wilson rest in peace.

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