



Churches help with mortgage crisis

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Tina Fineberg/Associated Press Mary Chavis, of the Queens borough of New York, shares some papers regarding her two-family home with Deyanira Del Rio of the Neighborhood Economic Development Advocacy Project. Del Rio spoke at an April 20th housing crisis workshop held in the basement of a Catholic church.

New York -- The Rev. Jeffrey Dillon switched from the religious to the secular on a recent Sunday morning to ask his parishioners a pointed question:

"Do subprime mortgages scare you?"

Then he announced that the Roman Catholic parish, not far from JFK International Airport in Queens, was offering a workshop after Mass to help people in danger of losing their homes.

Embracing the religious tradition of helping the poor, pastors around the nation are doubling as financial shepherds for their mortgage-distressed flocks.

"What happens to the lives of people daily is important," said Jean Beil, a spokeswoman for Catholic Charities USA. "God calls us to care for the poor."

Nationwide, lenders filed foreclosure-related documents against almost 650,000 homes in the first three months of the year, more than double the number in the same period last year, according to California-based RealtyTrac Inc., which monitors the market across the country.

New York City saw more than 6,000 foreclosure filings in just the first three months of this year, out of more than 14,000 statewide -- a 40 percent increase over last year, according to the New York State Banking Department. Brooklyn and Queens alone represented about a third of the state's defaults, clustered in the boroughs' minority neighborhoods.

In response to the crisis, 10 churches in Brooklyn and Queens have offered workshops this year to counsel anyone who shows up -- church members or not -- on how to avert foreclosure and the so-called predatory lending that can make financial victims of homeowners.

Around the country, Catholic Charities USA, the Alexandria, Va.-based umbrella group for its member relief agencies in various states, is running programs similar to the ones in New York. The national group says it has helped more than 4,000 homeowners in a dozen communities from Atlanta to Santa Rosa, Calif.

While other religious groups or cultural associations have taken some steps, and various Christian denominations offer real estate advice, the Roman Catholic church seems to have made the largest concerted effort to address the foreclosure crisis.

But these faith-based efforts "are just a drop in the bucket," Beil acknowledged.

Last week, the U.S. House of Representatives passed legislation aimed at helping half a million homeowners facing possible foreclosure. President Bush has threatened to veto it, calling it a taxpayer-funded bailout.

Meanwhile, many homeowners are desperate for help.

At the recent workshop in Queens, parishioners at Christ the King Church helped themselves to coffee and doughnuts while filling out financial forms to prepare for appointments with counselors from ACORN, or the Association of Community Organizations for Reform Now, a national housing activist group. Workshops are conducted in English, Spanish and sometimes in Creole.

Peggy Been, a 66-year-old registered nurse, refinanced her two-family home with her sister in 2005. They shared the monthly payment of \$2,600 on the 30-year adjustable mortgage until the sister died in April 2006.

Been said the payments have risen to \$3,000 and she can't afford them on her \$1,438 monthly Social Security check plus \$900 from a renter. Now she's been notified that the home is being repossessed by lenders.

"I'm broke and I have nowhere to go," Been said. "It's just me and my dog, Diamond. I don't know what's going to happen."

Doris Peebles, whose mortgage jumped from \$2,000 to \$3,000 after she refinanced to take out a loan for urgent house repairs, also was worried.

A case worker for the city's Department of Social Services, Peebles says the family is in danger of foreclosure after defaulting on payments for several months. She shares the two-family home, and the payments, with her two daughters and their children.

"I didn't ask the right questions, because I didn't know what questions to ask," she said.

In February, Brooklyn Bishop Nicholas DiMarzio -- whose diocese includes Queens -- convened a forum to tackle the crisis, with the help of U.S. Sen. Charles Schumer, D-N.Y., housing organizations and banking officials.

"Church-based and other religions groups are vital to making sure that the families most in danger hear directly from their spiritual leaders about how to get help and receive the best advice in the country from local community groups to help save their homes," Schumer said.

In December, Congress allocated \$180 million for foreclosure counseling through Neighborworks America, a housing network that distributes the money to state agencies and intermediaries including Catholic Charities USA.

One Protestant church in Detroit, which has some of the nation's highest foreclosure rates, opened its own mortgage company in 2005, before the credit market meltdown last summer.

Bishop P.A. Brooks, pastor of the New St. Paul Tabernacle Church of God in Christ, started the for-profit Faith Community Mortgage Co. in 2005 because he had already noticed that residents were struggling to finance their homes.

Betty Maple, a retired partner with an accounting firm who helped launch the church loan program, explained how she counseled one client about the hazards of an interest-only loan.

"I said, 'That looks good, but what's going to happen when you have to pay the principal and interest?'" she said. "Are you able to afford that?"

In a similar vein, Monsignor Alfred LoPinto, the vicar for human services at the

Brooklyn diocese, said church officials want to help people before foreclosure, "while there's still some breathing space."

"We try to make sure people don't end up in the streets," he said.

Associated Press Writer Jeff Karoub in Detroit contributed to this report.

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