



## Are you eligible for any of the mortgage settlements?

You have no doubt heard that the New York State Attorney General and other state's Attorney General have settled cases against the large banks with promises to modify loans and forgive principal in "underwater loans." Let us discuss your options.



David J. Bryan, Esq., Director

Anti-Predatory Lending and Foreclosure Prevention Program

## Is Your Mortgage Color Blind?

The subprime lending crisis is a continuation of what has always been a fair housing crisis in Brooklyn.

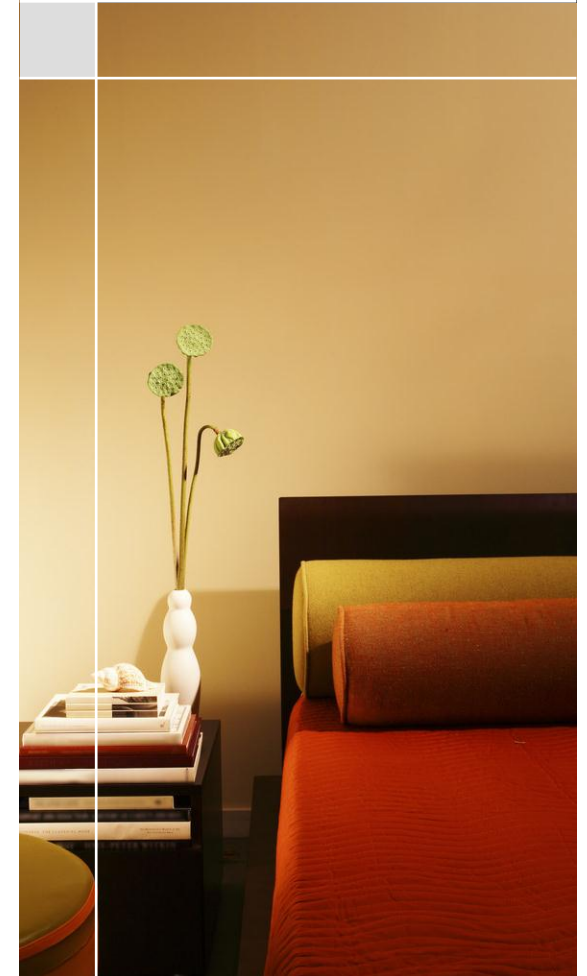
Lending to Kings County's communities of color has been racially biased since before the 1940's. Today the trend continues with credit worthy borrowers paying more in Brownsville than in Bay Ridge. These unfair loans were "built to fail" and are only compounded by the bank's refusal to modify these loans.

Please call 718-487-2300 so we can discuss new remedies and strategies to avoid foreclosure by compelling your lender to treat you equally under the law.

### Brooklyn Legal Services Corp. A

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## What is the Color of Your Mortgage?



- The current crisis far exceeds the 1930's Depression:
- In 1933, 1.4% of non-farm mortgages were in foreclosure. In the fourth quarter of 2010, 4.63% of mortgages were in foreclosure.
- The risk was spread in a discriminatory manner with African American, Hispanics, Asians and Native Americans taking the damage.
- The US banking system profited enormously from practices which rewarded enormous risk taking with other people's money and futures.
- This loss from the 2008 real estate crash constitutes the greatest loss of capital for the African American community in history.



*Subprime loans were sold to people of color who qualified for prime loans and the banks are now illegally refusing to act in good faith to modify those predatory loans.*

The Equal Credit Opportunity Act (ECOA) prohibits credit discrimination on the basis of race, color, religion, national origin, sex, marital status, age, or because you get public assistance. The law provides protections when you deal with any organizations or people who regularly extend credit, including banks and credit unions. Everyone who participates in the decision to grant credit or in setting the terms of that credit, including real estate brokers who arrange financing, must comply with the ECOA.

It has become obvious that people of color in Kings County living in zip codes including, but not limited to, 11207; 11208; 11212; 11216; 11221; 11225; 11233; 11236; 11239 received worse credit opportunities than similarly situated people in the rest of Brooklyn. A subprime loan can cost your family between \$50,000 and \$100,000 over the life of the loan as compared to a similarly situated prime loan.

Although New York State has a strong law that requires banks to engage in a good faith effort to modify loans, there are over 15,000 cases in Brooklyn's mediation program in which the banks have refused to modify loans.

The loan modification system in New York State is rife with failures as evidenced by an inability to compel the banks to provide reasonable settlements. Most homeowners participating in the process find that they are like rats in a maze seeking the magic document that is never timely enough to modify their loans. We fear that this situation will only worsen as the Courts limit the opportunities for settlement conferences to be effective.

As was the case in the origination of loans, it appears that modification of loans may well be influenced by race and location, a practice that is in violation of federal, state and city law.



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