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The Hightower Report

By Jim Hightower

Saving Banks From Themselves

How refreshing – a glimmer of light from the dark and depressed housing sector!

This glimmer comes not from some statistical uptick in the national housing market but from real life people working at the local level to help hard-hit families save their homes. This pragmatic project is a joint effort by a nonprofit lender named Boston Community Capital and a housing advocacy group named City Life/Vida Urbana. In an innovative twist, these two begin at what would seem to be the end of a family's homeownership experience: foreclosure.

Families across the country have seen the value of their homes plummet, leaving them holding mortgages that can be twice as expensive as their houses are worth. Most big lenders coldly refuse to renegotiate the terms of payment with these families, instead foreclosing and filing eviction notices. Intransigent lenders take a family's house – but what then? As a Boston Community Capital official notes, "Banks really do not want to hold on to these properties, because they don't know how to manage them, don't know what to do with them."

Aha, an opportunity for a fair solution! City Life activists rally the public against the bank for producing yet another vacant house in the neighborhood, while Boston Community Capital quickly offers the bank what it most needs: a buyer. The nonprofit itself buys the house at close to its real value, then provides a new, affordable mortgage to the family that was about to be shoved out. The bank gets off the hook, the family stays in its home, and the community retains its vitality.

While Wall Street and Washington have mostly dilly-dallied and fumbled and stumbled on America's foreclosure crisis, local people are finding some answers that actually work for ordinary folks. For information on this solution, contact Boston Community Capital: **www.bostoncommunitycapital.org**.

Fed Up With Fed Secrets

In the bipartisan bailout of Wall Street banksters, our own government not only failed to stand up for us taxpayers; it aggressively stonewalled us so we couldn't even know which giant banks were getting how much of our money.

Thank goodness, then, for the news services and federal judges who are finally compelling this cabal of bankers and regulators to tell us what they did with our public funds. In a unanimous decision, three court of appeals judges have said that the Federal Reserve (which, by the way, was the regulator that was supposed to be in charge of preventing such Wall Street collapses) must now disclose who got $2 trillion in sweetheart loans that the Fed doled out to its teetering bank buddies in 2008.

Astonishingly, top Fed officials had claimed in court that this information constitutes "trade secrets" and that disclosure of names would cause "severe and irreparable" harm to these giants. Who is the Fed fronting for? A bank consortium that includes Bank of America, Citigroup, Deutsche Bank, JPMorgan Chase, U.S. Bancorp, and Wells Fargo.

The Wall Street powers moan that mere mention of the fact that they had liquidity problems that needed to be plugged with 2 trillion taxpayer dollars would "stigmatize them." One Wall Streeter even called such revelations a "death sentence" for the giants, adding that disclosure of names would be cruelly punitive: "I don't see what public purpose is served by it," he huffed.

Hello, bankers: It's our money! We the People have a right to know who failed and whom we bailed out. This just shows, once again, that we consumers cannot trust the Fed, for it will always serve bankers' interests – not ours. Instead of giving it more consumer authority, as some in Congress are proposing, all of its watchdog powers should go to a totally independent consumer agency located outside the Fed.