

**City Life/Vida Urbana**  
**Organizing Against The Economic Crisis**  
**The Bank Tenant Association Organizing Model**  
**June, 2010**

Before Jean Bertrand Aristide became president of Haiti in 1991, he was a radical priest organizing in the slums. The oligarchy challenged him by asking if he believed in the class struggle. He responded essentially that the question was not relevant. Just like the earth goes around the sun, the class struggle continues regardless of whether he believes in it. The only relevant question is, he said, “Which side are you on?”

Boston experienced almost 2500 foreclosures since January, 2008. If you assume two units per foreclosure on average, that’s almost 5000 households faced with forcible eviction from their homes after foreclosure. Such a number of people losing their homes in one city from a natural disaster would elicit considerable sympathy. This disaster, however, is human-made, is nationwide and should elicit our outrage.

The richest and most powerful institutions in the country used their control of the market to try to get even richer at the expense of the majority. Part of this was creating “predatory loans”. United for a Fair Economy and others have documented how these loans were especially directed at communities of color.

The predatory nature of the mortgage crisis, however, goes far beyond these millions of bad loans. It was a predatory context more than individual loans. That context was the speculative real estate bubble, created by Wall St. financial institutions.

Dean Baker of the Center for Economic Policy and Research has noted that real estate values for 100 years tracked incomes, until about 10 years ago. That was about the time of the collapse of the stock market bubble. Capital moved into real estate and created a new bubble. This forced people to pay inflated prices, even when buying the most humble house in their neighborhood. They were told to buy at all costs, by political leaders, lenders, even sometimes by pastors. When buyers said they couldn’t afford the price, financial institutions promised refinancing, a promise never fulfilled once the bubble ended.

We have a chant that we use at weekly demonstrations against banks, most recently in front of JP Morgan Chase on May 20, 2010. “Pain for the many, profits for the few, Shame on Chase, We’re coming for You!” This slogan captures the situation well. Chase had record profits in the first quarter of 2010, what the New York Times called a “perfect game” of profits. Foreclosures rose sharply in the same first quarter. While President Obama called on banks to reduce principal, Chase said they wouldn’t do that. Locally, at the time of this writing (June 1, 2010) Chase will not discuss non-profits’ offers to buy occupied foreclosed buildings in cash; Chase insists on evicting first!

This brief description of Chase is why the members of our Bank Tenant Association experience the mortgage crisis as an attack. The question, as Aristide might suggest, is how do we respond?

### **The Crisis and the Political Moment**

The financial/economic crisis, along with the last election, is arguably a “political moment.” Political moments are times of potential conflict and change, for good or bad. They are times when large structures of power are revealed to have obvious contradictions, when the common sense of one era doesn’t seem to make sense anymore.

President Obama initiated a new program (Making Homes Affordable Program) to solve the ongoing mortgage crisis. There has been widespread criticism that this program has been ineffective, primarily because it does not require anything of the banks. It’s all voluntary. Also, the loan modification process does not work well without principal reduction for properties that are under water (building value less than loan value). When Obama recognized this problem earlier this year and called for banks to make principal reduction a central feature of the loan modification process, many banks refused or only paid lip service. Again, there was no requirement. The one proposal made by Obama that would have put teeth in this program was allowing bankruptcy judges to reduce principal on the first mortgage (like they can on a second home or a yacht). This was defeated in the Senate. After the vote, Sen. Dick Durbin (D. Ill) commented that they [the banks] own the Senate.

Wall St. banks resistance to meaningful loan modification is endangering the system as a whole, exposing the contradictions of modern day financial capitalism. At the same time, this is a moment when localized street

level resistance is effectively defending people against this attack and pointing the way toward systemic change. This resistance is changing what is “common sense.”

In Boston, one new important arena for this local resistance is post-foreclosure eviction defense. While most discussion nationally has focused on the need for “workout counseling” and loan modification before foreclosure, eviction defense *after* foreclosure has proven to be perhaps a more effective arena, both for individual cases and systemic change.

Working with Legal Services folks, City Life organized the Bank Tenant Association in the summer of 2007 to organize against foreclosure evictions. Since then we have stopped the overwhelming majority of evictions of those families that manage to reach us. We are working with hundreds of households. For former tenants, we have won large move-out settlements, or banks have backed down and accepted rent.

In increasing numbers of cases, banks are even selling properties to occupants, usually former owners, at the real current value, sometimes half or less of the old loan value. This reduction of principal is almost unachievable by normal loan modification efforts. It has been made possible by a committed and growing movement of Bank tenants, willing to engage in dramatic protests, including civil disobedience, alongside more standard legal defense.

### **The Bank Tenant Association**

City Life has used the method of post-foreclosure eviction defense to gain leverage for negotiations with the banks. This wins results for individual households and defends working class communities. Key to doing that is the Bank Tenant Association (BTA).

The BTA is composed of occupants of foreclosed buildings, both former owners and tenants. We stress that, after foreclosure, everyone is a *tenant* of the bank. It also includes some people not yet foreclosed who feel that foreclosure is imminent. While we don’t discourage anyone from trying to avoid foreclosure, we emphasize that foreclosure is not the end of the struggle, but rather the beginning of phase 2 of the struggle.

One of the problems of current workout counseling is that foreclosure is seen as complete failure. This puts ordinary people at a decided disadvantage. In any negotiations, the side that can’t walk away from the table is probably going to lose. Therefore, we encourage owners to lose their fear of foreclosure. We encourage former owners and tenants to understand that they have the power to stay in their homes.

What are the key features of a Bank Tenant Association that would allow it to be replicated in another city? This summary will look at what is sometimes referred to as the 5 masses – mass canvassing, mass meetings, mass casework, mass actions, and mass political discussion.

### **Mass Canvassing**

There are various ways to identify buildings in foreclosure. It’s crucial to reach those buildings just before foreclosure takes place, before the banks can send representatives to intimidate occupants into moving. In Boston, we focus on the list of buildings scheduled for a foreclosure auction, the final step where the bank typically takes control of the building.

Canvassing is labor intensive. Where do the troops come from? In Boston, there are several sources for the 100+ volunteers that have been involved in monthly canvassing.

Bank tenants themselves are the most important component. They can relate to the anger and shame people are feeling better than anyone, since they are living it. It is remarkable how many people come to weekly meetings, come to bi-weekly leadership meetings, come to weekly protest actions, *and* canvass on weekends.

In addition to bank tenants, law students, especially from Harvard, have organized the No one Leave Campaign. When schools are in session, 75 to 100 volunteers help out with mapping and canvassing. These students are from several universities and many different backgrounds.

Religious institutions wanting to contribute to solving the crisis also help. Most important, the Jewish social service group Kavod House has canvassed monthly with City Life since late 2007.

Radical activists, including those from other movements, want to make a link to the housing crisis and our base through helping canvass. Such activists, acting as City Life volunteers, have anchored our work in some of Boston’s neighborhoods.

The canvassing is very effective. People in foreclosed buildings are generally very motivated listeners. Canvassers go door-to-door knowing that the information they bring is literally the difference between eviction and staying in their homes. Volunteers are easy to recruit. The effectiveness and dramatic, public nature of the struggle causes many to seek us out.

## **Regular Mass Meetings**

The BTA meets every week in City Life offices, bringing over 100 weekly. Separate meetings in East Boston 3 times a month draw about 20 each time. These meetings cover many issues and have many purposes:

Develop solidarity. We urge people to leave their shame at the door. We try to end the isolation characteristic of individual foreclosure and eviction cases by encouraging people to share their stories even in their first meeting. This involves a lot of “testimony”, often very emotional. As some leaders say, we cry a lot of tears at City Life. Some of this is pain and stress. Many present their stories of victory and cry tears of joy.

Planning for protests and public actions. We are now organizing almost weekly protests in front of bank offices or in front of the homes of families we are defending. These protests are disciplined but militant, sometimes risking arrest. This makes it clear that building a movement is the best way to handle individual cases.

Explanation of eviction rights. You don’t have to move just because the bank says so. We are constantly empowering people to know their rights and represent themselves in court.

Building unity between former owners and tenants. Former owners have been some of the most aggressive and determined *tenant* leaders against the banks after foreclosure. Solidarity between tenants and small owners overcomes a historic split in our struggle.

Political education/discussion about the nature of the crisis. A key part of responding to the crisis is having an accurate and empowering understanding of what caused it. We oppose any attempt to individualize the struggle or blame the victim.

Recruiting volunteers. We emphasize the collective nature of the struggle and the need to give back.

The sword and the shield. Each meeting presents the strategy of The Shield and The Sword. The Shield is legal defense. We are not depending on legal defense to win outright, just to hold the bank off while The Sword takes effect. The Sword is public pressure and protest.

Multi-lingual. All meetings are bi-lingual in English and Spanish, sometimes using other languages as well. East Boston meetings are primarily in Spanish.

## **Engaging Tenants and Other City Residents**

The foreclosure crisis is thought of as a problem for homeowners. But 75% of households evicted after foreclosure in Boston are tenants, 47% statewide. Some of these folks are tenants of owners facing foreclosure in the same building. Since tenants have relatively more rights in eviction defense than former owners, engaging the participation of tenants can really help the owners win. This is important in building unity.

Many tenants are living in absentee owned buildings facing foreclosure, usually 2-3 family buildings or condos. This is the result of a host of investment schemes gone awry, including condo conversion scams. For example, many buildings were converted to condos and sold to straw owners. We say “straw owners” because they never intended to move in and the rent was not nearly enough to cover the mortgage. These were simply speculative investments, based solely on the hope that the Ponzi scheme of escalating real estate value would continue. None of the tenants in such buildings will ever be assisted by Obama’s HAMP program, which is designed for owner occupants. Such condos or absentee owned buildings probably should be foreclosed, but the occupants, the tenants, should be protected against eviction and supported in gaining control of the building.

## **Intake and Orientation**

Canvassers emphasize getting names and numbers of folks living in foreclosed buildings. All contacts coming from the canvass receive calls that orient people to our strategy and invite them to the next meeting. Canvassing is our main source of new folks, but people also find us in other ways (referrals, community meetings, press reports, etc.).

Increasingly, many homeowners are coming to our meetings from outside Boston. We are not canvassing there, but the word has spread that there is an alternative to the frustrating failure of loan modification.

## **Case management – eviction process and the “public letter”**

When starting at BTA, there is sometimes space for following each case in a detailed way, but our experience is that this soon becomes impossible. CLVU is tracking about 750 cases right now. We are thus forced to handle legal education through our mass meetings and peer counseling rather than primarily through individual counseling by staff. City Life organizers very consciously avoid a “client” relationship with members of the BTA.

Each foreclosure eviction case has two tracks to follow. One is the “shield” aspect of the eviction process. Cash for keys, notices to quit, summons to court, answers, discoveries, etc. Sometimes this is taken over by legal services attorneys who officially represent bank tenants. On the other hand, we are able to counsel people to successfully represent themselves in various stages of the eviction process.

The second track is the sword aspect. We have started to encourage each building occupant to write a “public letter”. These are moral statements sent to the bank explaining what people want. The arguments made are not legal but ethical and moral. These letters are “cc’d” to many local political leaders and get initial publicity for each case. These letters put mortgage companies on notice that they face serious resistance. They also help residents stay involved in their own “case”.

Sometimes members read their public letters to our meetings. These are moving moments. The letter will go into what the bank did to the family, the long disappointing process of negotiations, and the broken promises. The letter connects the foreclosure to other problems. Health problems cause financial distress without insurance. Sons and daughters are serving in Iraq or Afghanistan while their families are being evicted here. People have lost their jobs in an economic crisis caused by Wall St. The letters show the intersection of class and racial inequities over many different issues.

To stay in touch with the vast and growing base of bank tenants, volunteers call every single household almost every week to remind them of meetings and protests and offer a chance to update about their situation.

### **Eviction blockades**

When people who are regular members of the BTA run out of legal options, we consider an eviction blockade. In Mass., a constable must give 48-hrs notice before a truck eviction. In that time, we organize a protest in front of the building at the moment of eviction. Some are willing to resist arrest and chain themselves to the doorway.

We’ve called blockades over 20 times since early 2008. Three times the banks came through our lines, evicted the family and arrested our people. These protests are very emotional, garner lots of media attention, and give huge visibility to the Bank tenant movement. When the same bank doing the evicting has also received huge bailout money, is making record profits, and has an offer on the table from us to buy, they have a huge public relations problem. Their utter disregard for residents of foreclosed buildings.

We do blockades only where we are making a demand that the occupant can follow through on – pay rent to the bank or buy back the building at appraised value. Both these demands put focus on the central issue of the foreclosure crisis – the creation of the housing bubble and its bursting.

In one blockade, we were defending an elderly brother and sister, both legally blind. They had been scammed into a bad loan by their niece, who walked away with the money. Their family offered to buy the building back from Deutsche Bank at the real value (about half the loan value), but the bank initially insisted on eviction. This case received a great deal of publicity and certainly didn’t make the Deutsche Bank look very good. The blockades were successful and these folks’ home has been purchased by the City and will be resold to them.

For many in the BTA, the blockades and civil disobedience connect emotionally with the civil rights movement. We show clips from “Eyes on the Prize” to encourage discussion about this connection. Some have referred to our blockades as “getting across the Pettus Bridge” [reference to Selma, Alabama].

In 2009 and 2010, more and more we have called vigils at the homes of families we are defending before the eviction, to be more proactive. Just before Christmas and New Year, 2009, and again at the end of January, 2010, we held vigils that were enough to win back people’s homes at real value.

### **Offensive protests and campaigns**

The blockades are technically defensive but help expand the movement rapidly. We also have campaigns that target the offices of major banks. For instance, we have held many rallies directed at Deutsche and Bank of America. Deutsche Bank was our original target, since it was the largest forecloser and evicter in Mass. in 2007. Deutsche insisted that, as “trustee” for investors, they bore no responsibility; their servicers were responsible. Even though the servicers have Deutsche power of attorney, Deutsche insisted they had no influence. Through protests in 2007, we got Deutsche to issue a letter to their servicing companies urging them to consider other choices than mass eviction after foreclosure. When this letter had no effect on the servicers, we organized a protest of over 100 people at the Deutsche Bank PGA golf tournament near Boston in August, 2008. In August of

2009, we protest the pre tournament dinner. This has attracted significant attention from German magazines and TV.

The Bank of America campaign emerged from an “unsuccessful” blockade on Sept. 5, 2008. That eviction and the attendant arrests sparked a mass movement, still ongoing, to demand that B of A stop evictions after foreclosure and accept the rent. An example was a 2009 Valentine’s Day protest, done jointly with Rising Tide, an environmental group. While protesters were outside, many entered to close their accounts, “breaking up” with the Bank on Valentine’s Day. We chanted “Roses are red, Violets are Blue, Freddie Mac did the right thing Why can’t You?” (referring to Freddie Mac’s decision to stop post-foreclosure evictions). More protests followed, some linking with labor union demands against the Bank.

A more offense-oriented campaign includes our strategy of Block Rebellion. In these campaigns, we organize all residents in a small district to make a demand on all the banks owning foreclosed property – to stop all evictions, to sell back to owners at real value, to sell other units to non-profit for future cooperatives of mutual housing corporations. We have targeted 3 areas of the City for these rebellions. One Block Rebellion rally of 100 in Dorchester on a Saturday night in the pouring rain was covered by the New York Times on March 22, 2010.

### **Coalition work and legislation**

CLVU links its direct action and organizing to several broad coalitions. Our legislative initiatives go through those coalitions. The most important one is the demand for “just cause eviction,” sponsored by the Mass. Alliance Against Predatory Lending. Simply put, the banks should have a reason to evict after foreclosure.

Currently, the banks foreclose and become the landlord. Occupants, now tenants of the bank, offer to pay rent to the bank. The Bank refuses the rent and thus evicts “no-fault”. Just cause eviction requires that the bank have reason other than the simple fact of foreclosure.

Such legislation would dramatically change negotiations with the foreclosing banks. They would be much more likely to sell at real value or do meaningful loan modifications before foreclosure.

The legislation would be very effective and would cost the public nothing. Nevertheless, it wasn’t even an option until the spring of 2008. Bank opposition was too strong. It failed in the legislative session ending in July, 2008, but it was introduced again in the 2009-10 session. As the movement has grown, so has our power. The State Senate passed a version of just cause 37-0 in April (that just covered former tenants, not former owners). We are trying to get it to the floor of the House by July 31, 2010.

We are also supporting an initiative at the City level where Boston would refuse to put its money in any bank that engages in post-foreclosure, no-fault evictions, or other irresponsible behavior.

### **Radical analysis and narrative**

The BTA model of organizing raises issues that are at the center of the political debate around housing and financial capitalism. A popular, radical perspective on these issues is an enormous asset in doing this direct action organizing.

The following are some principles we emphasize:

- ❖ The financial institutions created the crisis. They should pay for it. This means that foreclosing banks should (1) rewrite loans to current, real value, (2) accept rent from occupants, and/or (3) resell foreclosed buildings to occupants or non-profits at the real value. This can solve the crisis without waiting for government bailouts.
- ❖ We want the government to act, to provide money and new regulation, but we have a strategy that allows us to win even if the government does not act.
- ❖ The financial crisis is one of speculation, and the tendency of speculation to take over is directly linked to the growing gap between the rich and everyone else. That gap not only impoverishes us, it also leads to a situation where investors have no productive outlet, and hence turn to speculation.
- ❖ We have the right to defend our homes and our communities, regardless of what the court says is the legal status of our claim to our homes.
- ❖ The communities and people hurt by this crisis are disproportionately people of color. Recognizing this publicly helps organize a resistance that benefits everyone.
- ❖ When we emphasize the sword and the shield, the understanding is that we are going into a battle. We have to prepare accordingly.

The tendency of capitalism to create growing inequality, followed by speculative bubbles, helps us put forward a narrative quite different from the dominant one. Predatory loans are not just individual mortgages. There was rather a predatory lending environment characterized by deliberately inflated real estate values. People

did not “buy more house than they could afford.” People simply purchased whatever housing was available at inflated prices.

BTA meetings create time to discuss these issues. In the summer of 2008 and 2009, we sponsored a Summer Institute, part of the Radical Organizing Conference series, that presented workshops on many different political issues, alongside skill-building workshops. This activity links the housing crisis and the organizing against it to a host of other issues – wages, trade, health care, etc. That creates broader support for our organizing and trains new leaders.

### **Conclusion**

There is a truck that delivers free food to pantries in Boston. On the side of the truck is a quote from a Brazilian bishop that reads, “When I gave food to the poor, they called me a saint. When I asked why the poor have no good, they called me a communist.”

Any radical movement must hold together various “contradictions.” It must address immediate needs but do that in a way that makes progress towards changing the system that caused those needs to exist. It must work on the individual problem but in a way that addresses the general situation. It must address both short term and long term. Each movement must be true to the issue that galvanized it but also see beyond that issue to larger issues of justice. The movement must allow for action and reflection; the struggle is a school but sometimes you need an actual school.

In these ways City Life hopes to continue not only to provide food for the poor but to always ask why the poor have no food.