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Cummings, the homeowner crusader

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'Not all of Congress understands how serious this problem is,' Elijah Cummings says. | Jay Westcott/POLITICO

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For President Barack Obama, fixing the collapsed housing market may be a part of political calculus, a key factor in winning a second term. For Rep. Elijah Cummings (D-Md.), the fight to keep people in their homes and out of foreclosure is a personal mission.

“I feel it just sitting here and talking to you — it’s emotion,” Cummings told POLITICO in an interview last week. “When I walk out of my door every morning, five of 15 homes on the other side of the street are in foreclosure. ... I see the devastation it brings on people every day.”

And it’s pain he knows first-hand. In 1997, just after Baltimore voters swept him into Congress, Cummings fell six months behind on his mortgage payments. Unless he came up with nearly \$6,000 — and fast — the bank would take his home and kick him to the street.

Cummings made his payments and kept his home, and 14 years later, he was reluctant to talk with POLITICO about his brush with foreclosure. Yet, it's clear the experience fuels his drive as ranking member of the House Oversight and Government Reform Committee to prevent others from experiencing the same fate, or worse — even if it means criticizing Obama, who, Cummings says, hasn't attacked the problem with a sense of urgency.

“A lot of times, [critics] will look at me and say, ‘Well, here’s a guy who supported President Obama, and he’s African-American and President Obama is African-American,’” Cummings said. But his first responsibility, he said, “is to make sure the administration is doing its job well” and hold it to a high standard and “make sure that our committee conducts its work in a very fair way so we have the utmost credibility.”

But others in the House share some of the blame, he said — including Oversight Committee Chairman Darrell Issa (R-Calif.), who decided not to use his subpoena power to demand answers from mortgage lenders suspected of cutting corners on foreclosures as well as shortchanging service members buying homes. After some pushing, Cummings said, Issa agreed to a joint letter to the banks, but progress, and the institutions' cooperation, has been slow in coming.

“The thing that disturbs me is that not all of Congress understands how serious this problem is,” said Cummings, a frown flashing across his deeply creased face.

“This is a situation where it's not just one person who's [affected]. It harms the people whose property value is going down all around them,” draining neighborhood wealth that can take a generation to restore. “No doubt about it.”

Every few months, Cummings oversees “foreclosure prevention” seminars in his district, one-on-one meetings between frustrated homeowners and often elusive lenders. He has grilled administration officials like Treasury Secretary Timothy Geithner and Housing and Urban Development Secretary Shaun Donovan. And he's helped push Edward DeMarco, acting director of the Federal Housing Finance Administration, overseer of mortgage giants Fannie Mae and Freddie Mac, to use his power to keep more roofs over people's heads.

Perhaps most striking, Cummings has followed his crusade to places the White House has yet to go — to the doorsteps of the big banks and home mortgage lenders, whose questionable foreclosure practices and shaky loans helped trigger the tsunami of defaults, dumping a wave of repossessed homes on the market.

Despite some reluctance from Issa, Cummings — who became ranking member when Rep. Edolphus Towns (D-N.Y.) decided not to seek the position and House Minority Leader Nancy Pelosi (D-Calif.) backed him with the White House's blessing — has used his committee muscle, insisting that banks and mortgage servicers release documents on substandard loans and dodgy practices such as robo-signing, a type of accelerated document processing that analysts call tantamount to forgery.

Cummings also rallied colleagues, like Rep. Dennis Cardoza, who represents a central California district hard hit by the mortgage crisis, to join the fight. “Congressman Cummings has been absolutely amazing,” Cardoza, a Democrat, told POLITICO last week. “I’ve been trying to get the attention of the last two administrations on the whole housing question. Until Elijah and I teamed up to work together — and he started aggressively using his ranking membership on the committee to bolster our efforts — I was getting nowhere.”

Contacted late last week, Issa’s office did not offer an assessment of Cummings’s committee work.

But Raymond Skinner, Maryland’s state housing secretary, said Cummings has stepped into a vacuum the Obama administration has created.

Though the White House also has tried to pressure banks, its programs “have been all voluntary to this point, and it’s not enough,” said Skinner, whose office, which oversees state housing policy, has worked closely with Cummings. “You have too many people facing foreclosure, and unnecessarily; ... [government programs] have not been responsive to people who have been in trouble.”

Cummings first gained a national profile after his investigation of insurance giant AIG, one of the early casualties of the Wall Street meltdown. His probe revealed slipshod practices at AIG and suggested that federal watchdogs misread or looked past warning signs.

Three years ago, Cummings began focusing on the housing market collapse.

“You have to understand — I come from a neighborhood where ‘The Wire’ was filmed,” he said, referring to the gritty HBO crime drama set in Baltimore public housing complexes and semi-abandoned rowhouses. “In this economy, I see the devastation [foreclosure] brings on people every day. If we can’t address the housing problem, I don’t see how we can get out of this recession.”

That hit home, he added, when constituents, desperate to avoid default but stymied by seemingly impenetrable bank bureaucracies, asked for his help.

“They were complaining that they were trying to get modifications and that paperwork was being lost,” Cummings said. “They would call a mortgage company, and they couldn’t get anyone. They would call one time and talk to somebody, then call back” and get the runaround.

Sometimes, “if they were able to work out an agreement, then suddenly, the mortgage company would tell them, ‘We don’t have a deal,’” Cummings said. “They’d come home, and there would be a foreclosure notice on their door. That really upset me.”

So Cummings took a hands-on, do-it-yourself approach. He invited distressed homeowners and bank representatives to meet in person.

“I figured if I could get the homeowner together with the bank and actually set up some appointments at a school on a Saturday, then they could see them face-to-face,” he said, describing what he calls foreclosure prevention workshops. Those events, he added, now draw upward of 1,100 homeowners.

“The mortgage company brings their computers; the homeowner brings hardship letters, statements about income, loss of a job, things of that nature, tax returns,” he said. “And they actually sit down and work out a deal.”

After a half-dozen workshops over a few years, Cummings said, “we’ve been able to help about 4,000 people stay in their homes.”

An administration official who did not want to be named said Cummings’s approach mirrors the White House’s housing strategy, particularly in offering direct aid to homeowners, including refinancing options at reduced fees and low interest rates and a hardship program allowing a year’s forbearance to the unemployed and the ability stay in their homes.

Cummings acknowledges there has been progress: In 2008 and 2009, at the height of the crisis, an estimated 7 million households were facing foreclosure, compared with roughly 5 million now. But those millions, he said, still need help, and it can’t come fast enough. “We just got to chip away,” he said.

“Every time I go to one of my foreclosure conferences,” he added, “I get up and say, ‘We are in a storm.’ I say to them, ‘You know, the question is not whether we’ll get through the storm, because we are a great country. We’ll get through the storm.’”

“The question is, who will be living in your house after the storm is over?”