

# **STOPPING PREDATORY LENDING**

**How a strategic alliance allowed Citizens for  
Community Improvement, residents and Des Moines  
Making Connections to tackle an issue that has  
undermined many families and neighborhoods**



**▶** In Des Moines, more than 30 families have recovered \$2.5 million from four lenders. In addition, the Predatory Lending Task Force has helped pass a state wide disclosure law that will prevent many families from falling into the contract home sales trap.

***“Task Force members speak about strains in their marriages and tension in their homes that has affected their children. They tell about being wiped out financially and of watching dreams of homeownership shatter.”***

For increasing numbers of low-income families, financial disaster comes in the form of a predatory loan or a contract home sale.

In 2001 alone, predatory lending cost consumers \$9.1 billion, according to a study by the Center for Responsible Lending. It cost Iowans \$47.5 million, according to an estimate by the Predatory Lending Task Force.

Some unscrupulous lenders have discovered that many low-income families’ need for money or desire to own a home can be a source of enormous profits. These lenders provide debt consolidation loans mostly to low-income homeowners who can’t get traditional loans because they are inexperienced financially or they are led to believe they don’t have good credit.

Like a traditional refinance loan, these predatory loans are based on the value of the family’s home. Also like traditional loans, the family risks losing its home if it can’t keep up with the payments. But unlike traditional loans, these predatory loans come with extremely high interest rates and exorbitant fees: 8–20% of the loan’s value compared to an industry-wide average of 2%.

Another predatory practice, contract home sales, is similar. In these sales, a company actually owns the home, often because it has foreclosed on the previous buyer’s contract. A family enters into a contract with this company, agreeing to pay a certain amount of money each month. Again, the interest rate is very high. And the contract is

for a limited number of years, meaning that the family will have to make a big “balloon” payment at some point, which will force them to again go through an expensive refinancing process.

This document tells how one organization in Des Moines, Iowa—Citizens for Community Improvement (CCI) and its Predatory Lending Task Force—helped residents, the community and the state fight for fair treatment of working class families against predatory mortgage lenders.

This work was supported with a grant and technical assistance by Making Connections—Des Moines, a long-term initiative to strengthen families and neighborhoods in this city (see page 16).

This support allowed Making Connections to engage and support neighborhood residents by tackling an issue that was having a large impact on many families in its target neighborhood. It also allowed Making Connections to connect with organizing efforts in Des Moines.

For CCI, the partnership with Making Connections helped pay for its predatory lending work as well as get some technical assistance and strategy advice.

The work so far has been “unbelievably successful,” in the words of Making Connections—Des Moines site team leader, Ira Barbell. The task force has signed an agreement with several mortgage lenders that calls for them stop their predatory practices. Once

***What can other Making Connections sites learn from this story?...Page 12.***

***“The task force has also helped pass statewide contract home sales legislation to better educate and protect buyers. Sellers are now required to disclose much more information about the property and the loan.”***



► Making Connections Des Moines Site Team Leader Ira Barbell says that CCI “uncovered issues that are tremendously important to residents.”

confronted with documented claims, \$2.5 million was returned to over 30 families from four lenders. Plus, many others have benefited from the new agreements reached with these lenders. The \$2.5 million alone is a 20:1 return on the Making Connections—Des Moines investment.

In addition, a local predatory home contract seller has been indicted for its practices (see page 5).

The task force has also helped pass statewide contract home sales legislation to better educate and protect buyers. Sellers are now required to disclose much more information about the property and the loan (see page 10).

Barbell believes one key to CCI’s success is that they “uncovered a couple of issues that are tremendously important to residents.” He

adds that CCI’s success “shows the tremendous power to change the way that business is being done.”

At the same time, “They have put dollars in the pockets of many residents and taken away the threat over other families that they could lose their homes.”

Barbell says that his Making Connections site team is working on ways to leverage this success and get other families to see that they can have the same impact on other issues.

This report is based on interviews of Predatory Lending Task Force members and of three CCI staff members: statewide Executive Director Joe Fagan, Des Moines Executive Director Sharon Zanders-Ackiss, and Organizer Tyler Uetz. Also interviewed were Barbell and Jane Fogg, Des Moines Making Connection’s site coordinator.

### **What Are Predatory Contract Homes Sales and Predatory Mortgage Loans?**

Most financial firms offer traditional loans to help families acquire a home. These institutions screen applicants and approve only those they believe will be able to pay back the loan, making sure that the house payment does not exceed a reasonable portion of their income.

In contrast, **predatory contract home sellers** figured out that they could make more money by deliberately setting up homeowners to fail to meet their home payments. They concluded that some houses would actually generate more profit if sold to families who couldn’t meet the payments.

*“It feels good that I saved two people from it [predatory lending]. I have learned so much that when we were trying to refinance, I went through all of the documents and I knew what everything was.”*

—Alicia Hedgecock



▶ Tim Zender is a member of the Contract Sales Task Force.

A homeowner—not understanding the true cost of the purchase—will pay a large down payment and often make considerable improvements. But they soon learn they cannot manage the large monthly payments or cannot pay a “balloon” payment, a requirement that the full amount of the contract be paid after a certain period of time. Forfeiture begins. The home returns to the contract seller to be resold to another unsuspecting homeowner, who will go through a similar scenario, while the contract seller pockets the profits and benefits from any improvements made by the first homeowner.

**Predatory mortgage loans** often are made to help a homeowner consolidate existing loans and/or get repairs made. Many hidden fees go into the final loan amount. The mortgage lending company will give enough money so that homeowners can't get financing anywhere else and an excessive amount of their income goes to the mortgage company.

They can't get financing elsewhere because the amount of the loan equals or exceeds the value of the house.

How can you spot a predatory mortgage lender? Alicia Hedgecock, a member of CCI's task force, decided it's anyone who contacts you by phone or appears in too-good-to-be-true ads on television or in the mail. While these things are warning signs, the only way to know for sure if a lender is predatory is by reviewing the terms of the loans they write.

Predatory mortgage loans and predatory contract home sales will have one or most of these traits:

- **Very high interest rates.** In today's market, predatory mortgage loan interest rates can range from 10 to 25% or more, during a time when 5% is common with traditional lenders.
- **Balloon payments.** Payments on the balance of the contract are to be repaid between six months to five years from the date of the sale. For mortgages it's usually 15 years. In both instances, when the balloon comes due it's still too high for a traditional lender, forcing the homeowner to go back to the same lender/seller.
- **Fees for every portion of the process.** These add-on fees often run a staggering 8% to 20% (often in the range of \$3,000 to \$5,000). This is two to three times the national average.
- **Inflated price.** The appraised value of the home is often increased 20 to 30% or more beyond what the home is worth.



***“CCI’s success shows the tremendous power to change the way that business is being done.”***

—Ira Barbell

- **Staggering monthly payments.** With the fees, the high interest rate and the inflated home price, monthly payments often consume much if not all of a homeowner’s monthly income.

These factors make it impossible for homeowners to secure other financing, even if they could keep up with the payments. The result is most often foreclosure. The mortgage loan itself, if valued too high, will keep other lenders away—unless you have the experience that Task Force member Linda Stanley did. Stanley’s predatory loan attracted another predatory lender, taking her from a bad situation into one that was even worse before she declared bankruptcy.

### **How Big a Problem Is Predatory Lending?**

No one knows exactly how much predatory lending has cost borrowers, but nearly everyone agrees that is a very large and growing problem, particularly in lower income, minority neighborhoods.

There has been huge growth in what is called “subprime lending,” which encompasses predatory lending (though not all subprime lending is predatory). “Subprime” involves loans with higher interest rates (and usually higher fees) than regular or “prime” loans. These subprime loans are made to both poor as well as wealthier families. The key is that these families don’t have good enough credit to qualify (or they think don’t have good enough credit) for a prime loan.

### **Cracking Down on a Predatory Contract Home Seller**

After years of tackling the worst predatory contract home seller in the Des Moines area, The Wolford Group, things are looking up for families hurt by this company. The CCI Contract Sales Group, working with organizer Danny Wagener, has helped more than 40 families that purchased homes through Wolford.

In 2003, these families found out that Wolford was selling homes owned by others without making payments to the original mortgage lender. CCI expanded its role to helping families obtain other financing when possible.

In September 2003, The Wolford Group declared bankruptcy. As a result, many of the families still have their paperwork in the office of the court-appointed receiver who now controls the firm’s assets. Others have either already negotiated better terms or they are seeking refinancing with more relaxed terms due to their unusual situation.

In June 2004, the Attorney General filed 16 criminal charges against the father and son owners of The Wolford Group. They were charged with nine counts of first-degree theft, four counts of security fraud and other charges.



Danny Wagener

***“They also tell of being really angry. They are angry with themselves, the lender and the government for allowing these predators to exist. That anger taints every person they encounter.”***

Nationally, subprime lending grew an average of 25% a year from 1994 to 2003. It now adds up to \$330 billion a year. About one in nine mortgages is subprime. HUD research found that subprime lending is three times as likely in minority neighborhoods. It is about twice as common in low-income neighborhoods compared to middle and upper income neighborhoods.

In response, 25 states and many cities have passed restrictions on predatory lending since 1999, according to a *USA Today* special report.

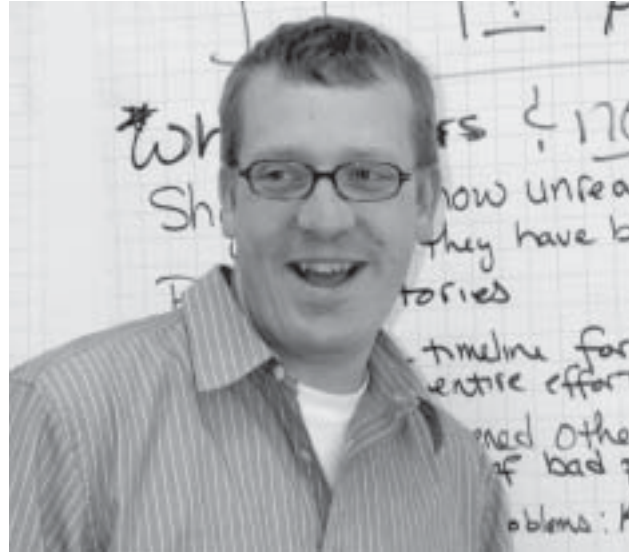
### **Predatory Lending’s Impact on Families and Children**

The practices used by predatory home lenders leave a wake of devastation from which some families never recover. Members of CCI’s Predatory Lending Task Force speak about strains in their marriages and tension in their homes that has affected their children.

They tell about being wiped out financially and of watching dreams of homeownership shatter. If not homeless, some ended up living in less-than-desirable conditions.

They tell of a tremendous emotional toll—and riding a wave of emotions from the euphoria of reaching a dream to the despair and fear of finding themselves in a no-win situation. The feeling that they are in this alone makes them feel inferior, or as some say, “stupid.” Humiliation can set in. Depression, alcohol and drug abuse as well as spousal and child abuse can also occur.

They also tell of being really angry. Many task force members use this word to describe their feelings. They are angry with themselves,



► CCI organizer Tyler Uetz says that the Task Force learned that it needed to quickly take action against a predatory lender to keep residents involved in the process.

the lender and the government for allowing these predators to exist. That anger taints every person they encounter. They say it’s harder to be a good parent, spouse, employee, friend and neighbor when you’re dealing with impending financial doom and the threat of homelessness.

### **Getting Free from a Predatory Mortgage Loan**

When snared in a predatory mortgage loan situation, homeowners look for ways to get out of it. They consider bankruptcy, foreclosure, suicide – or fighting back.

Individual members of CCI’s Predatory Lending Task Force are familiar with all of these ways. Lawyers and traditional financial institutions told these members they had no

***“Anger, it turns out, was one of the main keys to CCI’s success. If one manages anger properly, it becomes the fuel for tackling the situation.”***

good way out. One member’s husband opted for suicide, leaving her and their 5-year-old daughter to work through the remaining options.

Another member and her husband were told to walk away and accept foreclosure to curb their losses. This would have left them without a home for themselves and their two small children.

A third member and her husband chose bankruptcy, which they believed would provide them a temporary solution. However, the bankruptcy left a permanent mark, making it harder to get loans and forcing them to pay much higher interest rates for those loans they can secure.

### **Fighting Back**

Down but not out, CCI’s Predatory Lending Task Force members chose to fight back against huge financial giants. To everyone’s surprise but their own, they won. With CCI as their catalyst to pull individuals together, help residents with research and provide a way to help them turn their anger into productive results, the Task Force developed a winning formula.

Anger, it turns out, was one of the main keys to CCI’s success. As Fagan, Zanders-Ackiss and Uetz all say, anger is what makes certain people commit to a course of action. If one manages anger properly, it becomes the fuel for tackling the situation. Task force members all state that they were angry people. CCI gave them a way to direct that anger in the appropriate way—at the lenders who intentionally set them up for a fall.

### **Discovering a Winning Process**

The process that CCI’s leadership provided was essential to winning the fight against predatory lending. CCI gave residents the space and a safe environment in which to vent their anger. Residents were allowed to tell their stories, to get it out of their systems and express what happened to them financially and emotionally. During these sessions, they began to talk about outcomes and to take action.

In the past couple of years, CCI—with the help of residents turned CCI members—has focused on several predatory mortgage loan firms.

CCI’s first experience was with Conseco Finance Corp. When CCI first heard about this issue from a few residents, they sent a mailing to all Polk County Conseco borrowers to find others experiencing the same problem. They eventually got a list of persons with complaints against Conseco and visited each family over a three-month period. But CCI discovered that they lost momentum and a number of families turned to other alternatives because they thought the CCI process had stalled.

Conseco dragged its feet when it came time to come to the negotiation table. During a CCI annual convention, more than 100 members made a “house call” on Conseco. They took a bus to drop in on Conseco’s small local office on one of the lender’s busiest days. They carried with them a list of demands. Eventually Conseco came to the table and agreed to a settlement. However, since then, Conseco filed for bankruptcy. While some families are still waiting for closure that may not come, the families that came through CCI received a remedy that satisfied them.

***“The folks who have gotten their loans repaired immediately are those who are up front, telling their stories. They have gotten the most immediate satisfaction.”***

—Tyler Uetz

CCI organizer, Tyler Uetz, said they learned from the Conseco process. With the next firm, Ameriquest, the group did the same up-front legwork to determine that the complaints were legitimate. Then they contacted families with an Ameriquest mortgage and mailed them an invitation to meet at CCI. When the homeowners came together, they first shared their stories and then decided on a course of action. This started the action sooner, and many of the residents stayed with the process.

## Elements of Success

What has contributed to CCI's success in battling predatory lenders? Some key ingredients are:

- **Mobilizing residents and tapping into their commitment and courage.**

Residents have to be involved and a part of the solution. CCI provides the forum, support and talented organizers that can help. But in the end, the resident members have to engage in the struggle and be just as committed as the staff.

Uetz notes that some residents came to the initial meetings but decided not to return because of the time commitment or their discomfort with sharing their story. “However,” he states, “the folks who have gotten their loans repaired immediately are those who are up front, telling their stories. They have gotten the most immediate satisfaction.”

He emphasizes “the courage it takes to go public” with their story: one reason predatory



▶ Residents Norma and Philip Countryman are two members of the Contract Sales Task Force.

lenders have been successful is because most people won't go public about their financial struggles.

Alicia Hedgecock and Ron Branchcomb, two active CCI members and Ameriquest borrowers, noted they spent far more time trying to resolve the problem on their own before they turned to CCI for help. They spent roughly a year, four to six hours a week dealing with the problems related to their loan without seeing any relief. Once they began meeting with CCI, they spent two to four hours a week and got results.

- **Conducting solid research and building credibility.**

“Credibility comes from getting specific information, not just generalities, and doing a good job finding exact information from the people who are affected by it, and using it,” notes CCI's Joe Fagan.



***“Credibility comes from getting specific information, not just generalities, and doing a good job about finding out exact information, specific information, from the people who are affected by it, and using it.”***

—Joe Fagan

He adds that during the process of residents retelling their stories to one another, they weed out those that may not be truthful. Members are committed to the authenticity of the work and do not want to see one person derail the process with inaccuracies, so when these rare instances occur, those individuals are weeded out fairly early.

The Iowa Attorney General’s office, Polk County Attorney’s office, Iowa legislature and Des Moines City Council know that information placed before them by CCI has been thoroughly researched. Sources, facts, data, dates, names and well-documented issues and claims of illegal dealings are cited when CCI presents its case. The local newspaper now features CCI issues at least monthly, as they know the group provides solid information about issues important to the community. Every time the newspaper runs an update, CCI gets more calls for help and more members.

• **Developing a strategy and preparing for each encounter.**

The process includes fact-finding, researching the company, identifying key persons within a firm who have decision-making authority and choosing a course of action. Strategy sessions continue throughout the process as new issues and challenges surface.

• **Being persistent.**

CCI doesn’t take on an issue unless they feel they can win. Once CCI has a cause, they do not let go of it until it comes to a successful outcome for those impacted by the situation.

• **Going to the core of an issue.**

“We don’t go around the core,” stresses CCI’s Zanders-Ackiss. “We go straight to the core. We are effective because we are not passing the buck per se. It is standing there, being confrontational and being aggressive and persistent.”

Often others fail because they go through “proper channels”—they go to the company’s help desk, they send in a complaint letter, then the client is passed around the firm for months, even years. This was the case with Task Force members Ron and Alicia.

However, CCI’s approach is to go straight to the key decision-maker. It believes the front line staff is there to uphold the company’s predatory practices, and only the top decision makers can reverse those practices.

► Predatory Lending Task Force members meet regularly to keep the process moving.



**“Everyone on that task force sees that I can sit in a meeting with the vice president of a national company and win half a million dollars in loan repairs for people. We have the power within us to be a part of a group that does that.”**

—Ron Branchcomb



▶ Resident and Contract Sales Group member Cynthia Taylor.

### • **Doing good contingency planning.**

Each encounter with a predatory mortgage or contract lender is bound not to go as smoothly as planned. During the strategy sessions, CCI addresses all the “what-ifs” that could take place. They then determine the course of action to take when things don’t go according to plan.

A good example involves Ameriquest. Their representatives agreed in the initial meeting on Nov. 6, 2002, that a settlement would take place. However, they failed to

**Citizens for Community Improvement** has been operating successfully on a wide range of issues for more than 28 years. For the most current information on their work with predatory lending, see their website: [www.iowacci.org/Issues/financial/predatorylending/pl.htm](http://www.iowacci.org/Issues/financial/predatorylending/pl.htm)

follow through on scheduling the next settlement meeting. The CCI task force took the next step and filed complaints with the Attorney General’s office and the Iowa Division of Banking. That action had Ameriquest back in Des Moines by Jan. 16, 2003. During the January meeting, each family reached a verbal agreement on its loan, and by February 2003, they all had written agreements for their review and signature.

### • **Keeping focused on what’s best for the community and developing a sense of unity.**

Throughout the preparation process, members form a strong bond and resolve to stick together until each member of the task force and the community (city, county and state) receives justice.

### • **Building residents’ capacity to lead the campaign.**

Residents immersed themselves in all the terminology, forms and requirements of the mortgage loan business. They learned the characteristics of both fair and predatory mortgage loans, gained a voice and built a process to handle future decisions and conflicts.

Zanders-Ackiss notes that, when it comes to resident members, “Developing a leader is part of getting people to speak for themselves, because CCI is not going to do it. We really work with the members so they learn how to stand up, speak out and fight back.”

As resident Ron Branchcomb states, “Everyone on that task force sees that I can sit in a meeting with the vice president of a

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national company and win half a million dollars in loan repairs for people. We have the power within us to be a part of a group that does that. Now, not just with CCI but everywhere we go we can contribute that.”

- **Finding a fair and equitable remedy.**

This is the heart of the work. CCI members are out to receive justice, make a family whole, reverse bad decisions or cease threatening actions. This means that the predatory lender ceases to make a profit through predatory practices, but CCI members do not work for retaliation or to secure punitive damages. They seek to have the behavior that is harmful to families and communities discontinued.

- **Keeping focused on results.**

From 2002 through 2003, CCI spent about \$100,000 in staff time, research, mailings, etc. with Conseco and Ameriquest. In the Ameriquest case alone, this resulted in about \$350,000 for eight families through money actually returned, lowered interest rates, lowered principal and lowered future payments.

Ameriquest also signed an agreement that bans their predatory practices and offers remedies for any family in foreclosure. This will put an unknown amount of money back into the hands of working families. This agreement is for the entire state of Iowa, not just Des Moines or Polk County.

Resident members will meet twice annually with Ameriquest, once in California and once in Des Moines, as the firm looks for better ways to address the needs of communities



▶ Resident and Contract Sales Group member Brenda La Blanc.

and offer fair home mortgage practices, and CCI monitors Ameriquest’s progress. The firm has also agreed to develop financial literacy classes with CCI.

Uetz reports that, through May 2004, Ameriquest had lived up to all terms of the agreement and was going beyond it to help families in need.

Beyond Ameriquest, several local banks seem to be more receptive than they had been to helping families that can demonstrate they were victims of predatory practices, according to Uetz.

### **The Next Phase**

When trying to help families in predatory loan situations become eligible for refinancing with another institution, it is critical to get the loan value of the home reduced by the firm holding the current mortgage or contract.

***“When trying to help families in predatory loan situations become eligible for refinancing, it is critical to get the loan value of the home reduced.”***

In July 2003, CCI’s task force met with Bruce Gottschall from Neighborhood Housing Services in Chicago, which has accomplished this [For more on Neighborhood Housing services, go to [www.nhw.org/network/pubsAndMedia/WinningStrategies/postpurchase\\_02.htm](http://www.nhw.org/network/pubsAndMedia/WinningStrategies/postpurchase_02.htm) ]. He explained how his organization helps families find alternative financing. Working with the Neighborhood Finance Corporation and a host of interested banks, plans have been made to explore a similar option in Des Moines.

After reaching the Conseco agreement in 2002, the CCI task force met with several lenders to explore solutions to getting a home’s loan value reduced. These institutions, several banks and Fannie Mae agreed to an anti-predatory financing product funded by \$3 million from Fannie Mae (a government-chartered corporation that buys mortgage loans).

However, after nearly two years, CCI does not believe that one family has qualified for a loan. The loan-approval process is too rigid. It doesn’t take into account how the predatory loan itself has contributed to a family’s dire financial situation, nor how that situation will change once the loan is fixed.

To assist the families stranded by the Wolford bankruptcy (see page 5), CCI is working with the lenders of the \$3 million anti-predatory financing product to find solutions for families hurt by predatory contracts (versus predatory mortgages). This product was a better fit for these families. For example, only one exception to the underwriting rules had been allowed. Now, if the problems were the result of a predatory contract or



▶ Resident and Contract Sales Group member Patricia Skinner.

mortgage, more than one exception will be allowed. This is done on a case-by-case basis.

CCI’s continuing home ownership and counseling work—as well as other Making Connections partners’ education programs—are educating individuals how to buy or refinance a home and avoid predatory lenders.

### **What Can Other Making Connection Sites Learn from This Experience?**

CCI’s work around predatory lending was brought to the attention of Ira Barbell, Making Connections site team leader for Des Moines. He thought that the way CCI builds its members’ sense of power, identifies issues, shares information and achieves concrete results for families and communities spoke to

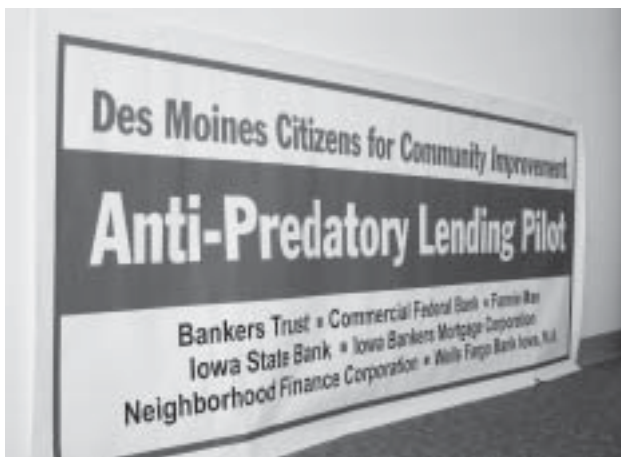


***“The tragedy is that his house was paid for; he was just looking for some extra cash. Now this couple that was planning on retirement was facing the real prospect of losing their home.”***

the spirit of Making Connections. CCI was looking for partners that could help it build its own capacity.

Jane Fogg, site coordinator for Des Moines MC, says addressing predatory lending “wasn’t a hard sell to community leaders and policymakers.” After seeing CCI’s work in this area, she comments that lending institutions with predatory practices are taking note. “I can’t say that they came willingly or swiftly, but the work has gained momentum and has traction.”

If a site is looking at taking on this work, Fogg cautions that it can be controversial. A site team and partners need to take care as they look to build partnerships and make changes for the long-term. “We want the work to leave long-lasting relationships and good business practices for long-lasting change. There needs to be a balance between protecting the partnerships and addressing the needs of the community.”



► Sign in Des Moines CCI office.

### **New Law Mandates Disclosure**

Anti-predatory contract home sales legislation has been passed in Iowa. The legislation requires that sellers and lenders disclose much more information, including:

- Current assessed value of the property
- Outstanding property taxes and special assessments
- Any mortgages or liens on the property
- An amortization schedule that includes how much of the payment is applied to principal and how much to interest
- Information on the balloon payment
- Annual rate of interest

Fogg believes that MC has found that balance in Des Moines. The decision to work with CCI came in part from a judgment that it is “an organization that has the capacity to carry out the work.” CCI already had a strong presence in the MC neighborhoods. This presence allowed CCI “to help us determine what is happening, what the impact is and what is needed to make a change over time,” Fogg explains.

Because of its ties to people who had experienced predatory lending, Fogg says that CCI helped “give the problems faces and names.” This had an impact “on an organizational level, at the partner level and at the policy-making level.” The result is that MC and CCI “have made a real change here that can change the life outcomes of families.”

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—Jane Fogg

Part of what made a partnership with an organizing group work in Des Moines, Fogg believes, was that CCI was also willing and able to make changes in its style of working. “I think what CCI discovered is that this work can be confrontational but it doesn’t necessarily have to be. They have been able to move to a more collaborative style, especially to achieve success on this issue.”

### **Not All Have Happy Endings**

Try as CCI might, not everyone has a happy ending. Zanders-Ackiss recalls one situation in which an elderly man tried to increase his cash flow by taking out an equity loan.

“His house had been paid for. His income was \$700 a month, and he went through Conseco. When he got his first loan repayment amount, it was \$1,000 a month. He sold his vehicles to try to catch up. When he came to see us, he was almost three months in arrears again. There were no assets left to sell. His wife was on disability, but she was looking at trying to go to work again to try and help catch up on these payments.”

The tragedy is that his house was paid for; he was just looking for some extra cash. Now this couple that was planning on retirement was facing the real prospect of losing their home.

“We are not sure what happened to him,” says Zanders-Ackiss. “At the time he came to us we were not active in this work yet. He came in by way of an on-site lender meeting with one of our banks. There was nothing that they could do for him because the company had stripped all the equity from the house. We hate to say that, but that’s the way it happens sometimes.”



▶ Making Connections Dos Moines Site Coordinator Jane Fogg says that addressing predatory lending “wasn’t a hard sell to community leaders and policymakers.”

Fogg adds that success has certainly helped everyone feel good about the partnership. “In this situation, CCI has won, the families have won and Des Moines has won.”

While CCI has worked with the varied stakeholders that are part of MC Des Moines, it doesn’t believe that it has compromised its principles, according to Zander-Ackiss. “The bottom line is, if you are wrong, you are wrong. If you won’t meet with us, we will come to you. Our aggressive approach sometimes doesn’t sit well. Some will say we are controversial, too much conflict, and I say, ‘Yes, we are.’ These are the elements you need to end a practice that is hurting so many families.

“It is only a conflict if you are in the wrong or you just don’t know enough about the is-

***“It is important that there are [funders] out there that understand it. People stand up for themselves and work together. People who have traditionally been powerless gain power.”***

—Joe Fagan

sue. People are going to have their own opinions about CCI, but the bottom line is that we are working for the people and we are working to improve the quality of life for any families who may be impacted by any unethical practices.

“Our goal is not to make anyone rich with money, but rich with power, the power each and every one of us holds as taxpayers and residents. CCI won’t sell itself for funding. We know funding is important . . . it takes money to organize. However, we cannot turn our backs on the mission, which is to empower and unite grassroots people of all ethnic backgrounds. It is a fight for social, economic and environmental change.”

CCI’s Joe Fagan says that the support for this work provided through Des Moines Making Connections has been important. “It is im-

portant that there are [funders] out there that understand it. People stand up for themselves and work together. People who have traditionally been powerless gain power. We need more funders who understand this. The goal is getting local funders more comfortable with dealing with real things.”

Barbell says that addressing predatory mortgage lending “started with families in Making Connections neighborhoods, but moved to a city-wide strategy with government partnering with community organizers to change city ordinances to protect families from predatory practices. Now it’s moving to a state-wide strategy and we’re supporting that.” Barbell notes that the results for families and communities—as well as the financial return on the investment—should be enough to convince anyone that this work fits with Making Connections.



► Many homes like these were preserved for its owners as a result of the Predatory Lending Task Force.

**“Our goal is not to make anyone rich with money, but rich with power, the power each and every one of us holds as taxpayers and residents.”**

—Sharon Zander-Ackiss

## The Diarist Project

This is one of a series of publications about the Annie E. Casey Foundation’s Making Connections Initiative put together by The Diarist Project, a new approach the foundation is using to learn from its efforts to strengthen families and transform struggling neighborhoods.

Diarists work to capture strategies and insights of the people who are leading the neighborhood transformation work. In Making Connections, the diarist works most closely with the Casey staff person who leads the work in each city, the “Site Team Leader.”



CCI member Alicia Hedgecock

The Annie E. Casey Foundation works to build better futures for disadvantaged children and their families in the United States. Its primary mission is to foster public policies, human service reforms and community supports that more effectively meet the needs of today’s vulnerable children and families.

For more information about **The Diarist Project** or to receive copies of its publications, contact: The Diarist Project, c/o Charitable Choices, 4 Park Avenue, Suite 200, Gaithersburg, MD 20877 (240-683-7100; [Tim@CharityChoices.com](mailto:Tim@CharityChoices.com)).

This Reflection was written by **Margaret Wright**, Des Moines Making Connections diarist. It was published in December 2004.

**Making Connections** is a Casey Foundation initiative to support work that demonstrates the simple premise that kids thrive when their families are strong and their communities supportive. What began in 1999 as a demonstration project in selected neighborhoods in 22 cities is now an intricate network of people and groups committed to making strong families and neighborhoods their highest priorities.

Photos by Teresa Zilk

**Making Connections - Des Moines** is an initiative to improve the lives of children and families living in 15 neighborhoods in the near east and west sides of the river in the heart of Des Moines, Iowa. Its philosophy is that children succeed when families do well and families do well when they have strong services, supports, networks and neighborhoods.

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