

A 'Prairie Fire' of Maryland Foreclosures

by Nancy Spannaus

Foreclosures increasing anywhere from 600 to 26,000% over the last year? Unbelievable? Not on your life. Those were the figures presented to the Maryland Senate Judiciary Committee's public hearing on the "Foreclosure Process" on Oct. 23, by the Secretary of Labor, Licensing, and Regulation, Thomas Perez. "This looks like a prairie fire," Perez said, as he described what he called a "financial bug" spreading across the entire state.

Attending the hearing were consumer advocacy groups, representatives from Maryland banks, about a dozen Senators, and two organizers from the LaRouche Movement. As could be expected, the only solution to the shocking dimensions of the crisis was presented by the LaRouche representatives, who testified near the conclusion of the hearing, on the principles of LaRouche's Homeowners and Bank Protection Act (HBPA).

Perez's testimony was dramatic, to say the least. He began by telling the Senators that, just ten minutes before he was scheduled to speak, he had received updated figures which showed an explosion of foreclosures from the second to the third quarter of 2007. He said he wished he could say that the wave of foreclosures had reached a peak, but he could not: The Center for Responsible Lending forecasts that Maryland will soon be at the top of the list of national foreclosures, he said.

Perez began by describing the statewide level of increase in what are called "foreclosure incidents," a term that encompasses a number of stages, comparing the third quarter of 2006 to the third quarter of 2007. But this figure, 639%, pales in comparison to the increases in individual counties over the same period. Below are the areas which had ten times as many foreclosures in the third quarter of 2007 as one year before:

Carroll County	1,114%
Frederick County	1,349
Allegany County	1,967
Montgomery County	3,320
Worcester County	4,300
Baltimore City	8,785
Harford County	26,400

Particularly noteworthy is the fact that the skyrocketing foreclosure rate has hit all of the state's 24 counties, urban and rural.

While Perez admitted that the crisis hitting Maryland was national, he did not attempt to present a solution on that scale. He recommended that efforts be made to get information to people facing foreclosures in time for his agency to help them



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The collapse of housing in Baltimore.

renegotiate their loans, before the "foreclosure scam artists" got to them; to put clear criminal statutes on the book regarding mortgage fraud; and to lengthen the foreclosure process, so that people would have more time to figure out solutions.

Perez's testimony was followed by that of various consumer advocacy groups and lawyers, who recounted horror stories about the foreclosure process. The leader of one group, all from a condominium complex, described how a group of lawyers was trying to force the condo owners into foreclosure by doubling the condo fees, so they could make the property available for real estate speculation. The testimony was sufficiently compelling that the chairman of the committee asked the witness to talk with a representative from the state Attorney General's office.

There was considerable excitement among a few of the community leaders present in response to the testimony of LaRouche PAC representative Mike Reeve. Reeve presented LPAC's petition for HBPA, along with the names of those who have already signed on, to all members of the committee. He explained that the only solution to the crisis was to enact a temporary freeze on foreclosures, nationally, for several years, and to keep the banks open, through the establishment of "rental" fees which would be paid to the banks, under the administration of the state government.

LPAC will be escalating pressure on the Maryland legislature to join those of New Hampshire, Pennsylvania, Michigan, Illinois, Missouri, Tennessee, Florida, and Alabama, where memorializations of the HBPA have either been introduced, or have been prepared for introduction as soon as the legislature reopens. Maryland, like many other states, is in the throes of a dramatic budget crisis, driven in part by the collapse of tax revenues from the deflating real estate bubble.