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Sent:16 Jun 2013 17:37:39 -0400

To:Pollard, Alfred

Subject:FW: Richmond nears radical fix for underwater mortgages | On The Block | an SFGate.com blog

Calling the cavalry .....! ;)

<http://blog.sfgate.com/ontheblock/2013/06/16/6285/>

## Richmond nears radical fix for underwater mortgages

Domain mtg



(Michael Macor/The Chronicle) Almost every Richmond resident at a community meeting raised their hand to indicate their homes were underwater.

Community organizer Melvin Willis stood in front of 100 Richmond residents on Saturday and said: "Raise your hand if you're underwater."

Almost every single person held their arm in the air.

Richmond remains among the Bay Area cities most devastated by the foreclosure crisis; almost half of its mortgaged homes have loans exceeding their value, according to Zillow.com (Zillow has a

nifty interactive heat map where you can look up the percentage of underwater homes in your own ZIP code, by the way).

Now the city hopes to pioneer a drastic new plan: use the power of eminent domain to seize some of those mortgages from the private investors who hold them in mortgage-backed securities, then slash tens of thousands of dollars off the principal, making them affordable.

Saturday's meeting, organized by the Alliance of Californians for Community Empowerment, captured a community that's ready to fight back against Wall Street interests. But it's likely to be an uphill battle in which banks and other entities will shower the area with commercials warning of a doomsday impact if the controversial plan goes through.

"I'm proud to be a Richmond resident," said Doris Ducre, who's lived in the city for more than 30 years and works as a lab technician for a biotech company. She owes \$300,000 on a house that's worth about \$150,000, she said. "All of a sudden, the rug was snatched out from under me," she said. "I get up every morning, go to work, pay my taxes."

For more details on how the eminent domain plan would work and the challenges it faces, click **here**.

*Carolyn Said is a San Francisco Chronicle staff writer. For new and insights on Bay Area real estate, follow her on Twitter: @csaid*