

# EXHIBIT D

# Opinion

San Francisco Chronicle

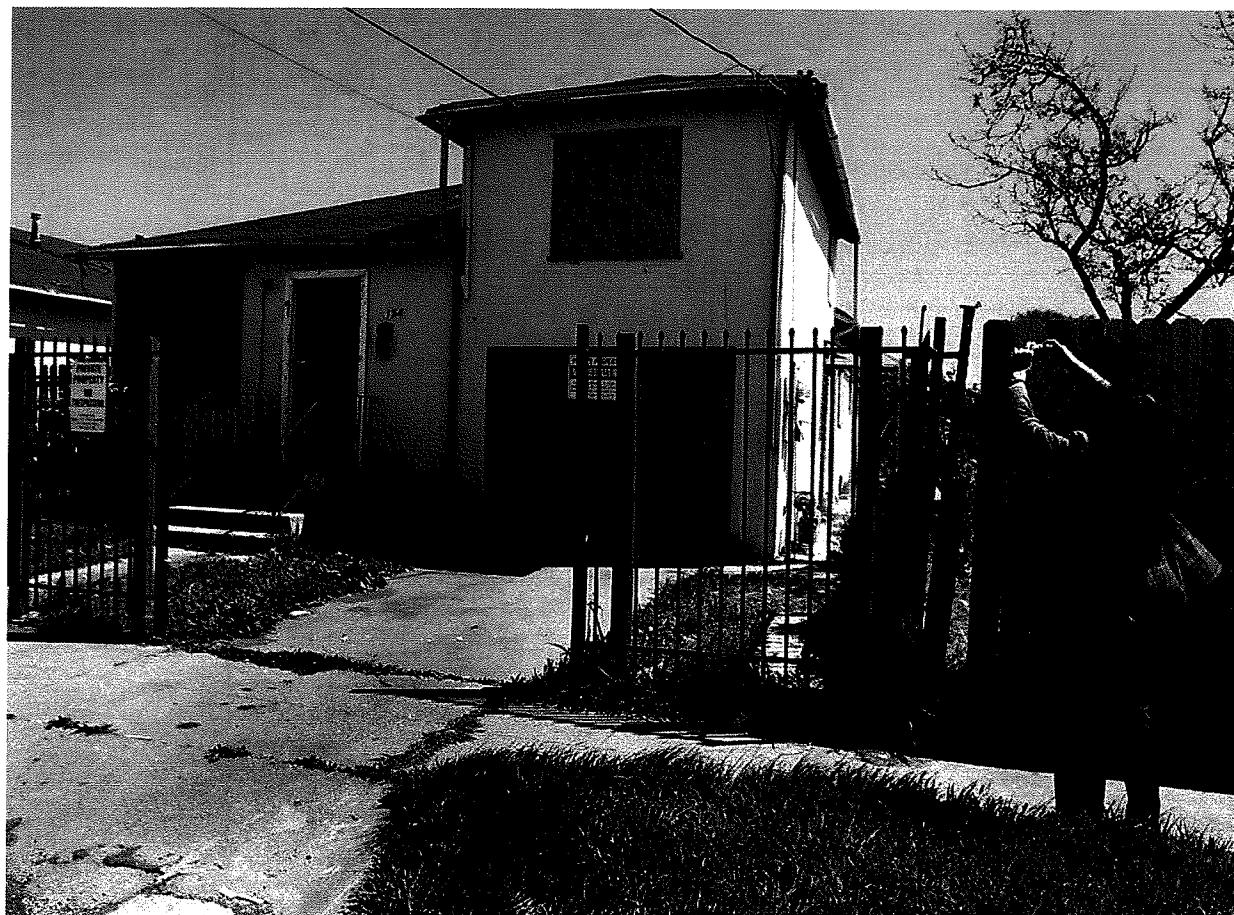
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# Richmond's plan to battle foreclosures



Lance Iversen, The Chronicle

***Ana Cortez, a redevelopment specialist with the City of Richmond, takes photos of a foreclosed home on 1st street that the city has made an offer on.***

**Gayle McLaughlin and Marvin Webb**

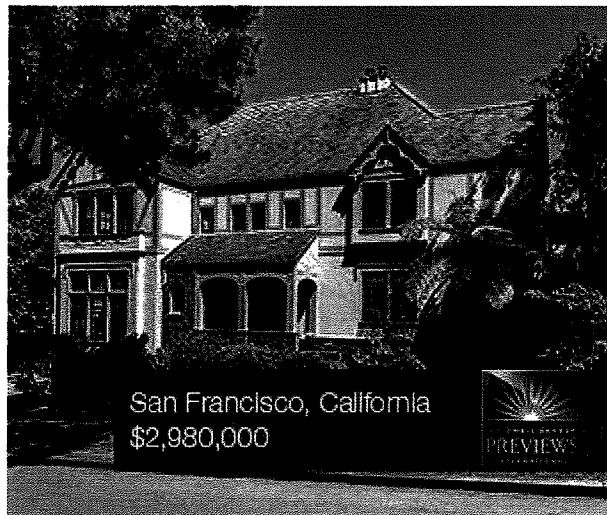
June 17, 2013

Let's be clear. The newspapers talk of a "recovery," but we haven't seen it in Richmond. Some 900 families lost their homes to foreclosure last year alone. Nearly half of Richmond homeowners are still underwater on their mortgages, meaning they owe more than their properties are worth. Many more homes will be lost to foreclosure in the coming year unless we take action to prevent it.

Patricia and Robert Castillo have lived with their son and daughter in the North and East neighborhood of Richmond for eight years. They bought their home for \$420,000, and it's now worth \$200,000. To make matters worse, they were peddled a high-cost interest-only loan, so their payments increase each year. It's at \$1,800 now and will climb to \$2,500 in 2015. Robert is a mechanic for the Berkeley Unified School District. They have not missed a mortgage payment so far, but they are hanging on by a thread. Thousands of Richmond resident are in the same boat and

struggling mightily to stay afloat.

Based on estimates by mortgage lender Fannie Mae, far more than half of underwater homeowners whose loans are owned by investors in the private secondary mortgage market will go into default. Our entire city is harmed by this foreclosure crisis as neighborhoods are destabilized, property values and property tax revenue are reduced, and our city faces the added costs of dealing with the problems that arise from vacant properties. Despite enormous federal government bailouts and subsidies for Wall Street, banks have offered little relief for struggling homeowners and hard-hit Main Street. Many big banks are making record profits, but leaving ordinary people behind.



The City of Richmond, in partnership with residents and community groups such as the Alliance of Californians for Community Empowerment and Contra Costa Interfaith Supporting Community Organization, is working on an innovative program to toss a life-preserver to as many underwater homeowners as we can, rebooting our local economy in the process.

The city plans to offer to buy certain underwater mortgage loans that we believe can be modified with reduced principal. If the loan servicers are unwilling to sell them, then we hope to use the legal tool of eminent domain to acquire them, paying fair market value as required by law. In each case, the City Council will need to make the appropriate findings before using the power of government to take private property, and then work with a private investment group to help homeowners refinance into an affordable loan that is in line with the current home values and current market interest rates.

We will work with investors who have the capital to acquire the loans and are willing to cover all program costs. The city will be in charge, making all decisions regarding how the program will work. The investors will earn a return paid out of the new mortgage funds.

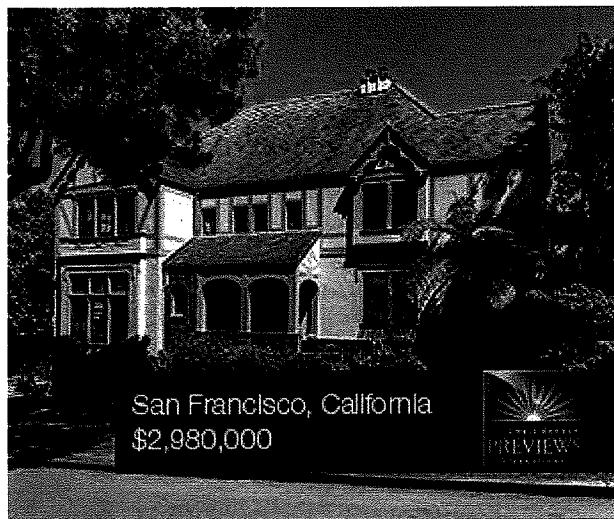
Homeowners will be able to choose whether or not to participate, and the program will have no cost to homeowners or taxpayers. In fact, by keeping properties on the tax rolls and preventing further

decline in property values, it will help the city restore vital public services.

Across the country, the next wave of vulture investors are swooping in to buy up foreclosed properties, further benefiting from the misfortune of hard-working families. We have a different vision and are working with investors in order to do just the opposite - keep people in their homes and help keep communities intact. Other cities are considering similar strategies. We believe that Richmond is on the cutting edge of a national movement.

Wall Street banks and their lobbyists are lining up to oppose this project and pressure communities to back off. The same Wall Street banks that targeted our communities with predatory loans are now trying to scare and bully us. But we are not backing down. We have a local solution to a national crisis Wall Street created. We are moving forward to do what's best for Richmond, not Wall Street.

Gayle McLaughlin is the mayor of Richmond. The Rev. Marvin Webb is the associate pastor of the Bethlehem Missionary Baptist Church in Richmond.



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