EXHIBIT J

From: Kibibi Culbertson [Kibibi_Culbertson@officeofthemayor.net]
Sent: Wednesday, April 10, 2013 8:03 PM
To: Gayle McLaughlin
Subject: FW: IMPORTANT! Press Conference Tomorrow
Attachments: Richmond Report.pdf; Richmond Wrecking Ball Talking points 41013-1.doc

FYI-

Office of Mayor Gayle McLaughlin
City of Richmond
(510) 620-6503- Direct#
(510) 412-2070- Fax #
Kibibi@officeofthemayor.net

-----Original Message-----
From: David Sharples [mailto:dsharples@calorganize.org]
Sent: Wednesday, April 10, 2013 4:42 PM
To: Gayle McLaughlin
Cc: Kibibi Culbertson; Trina Jackson
Subject: IMPORTANT! Press Conference Tomorrow

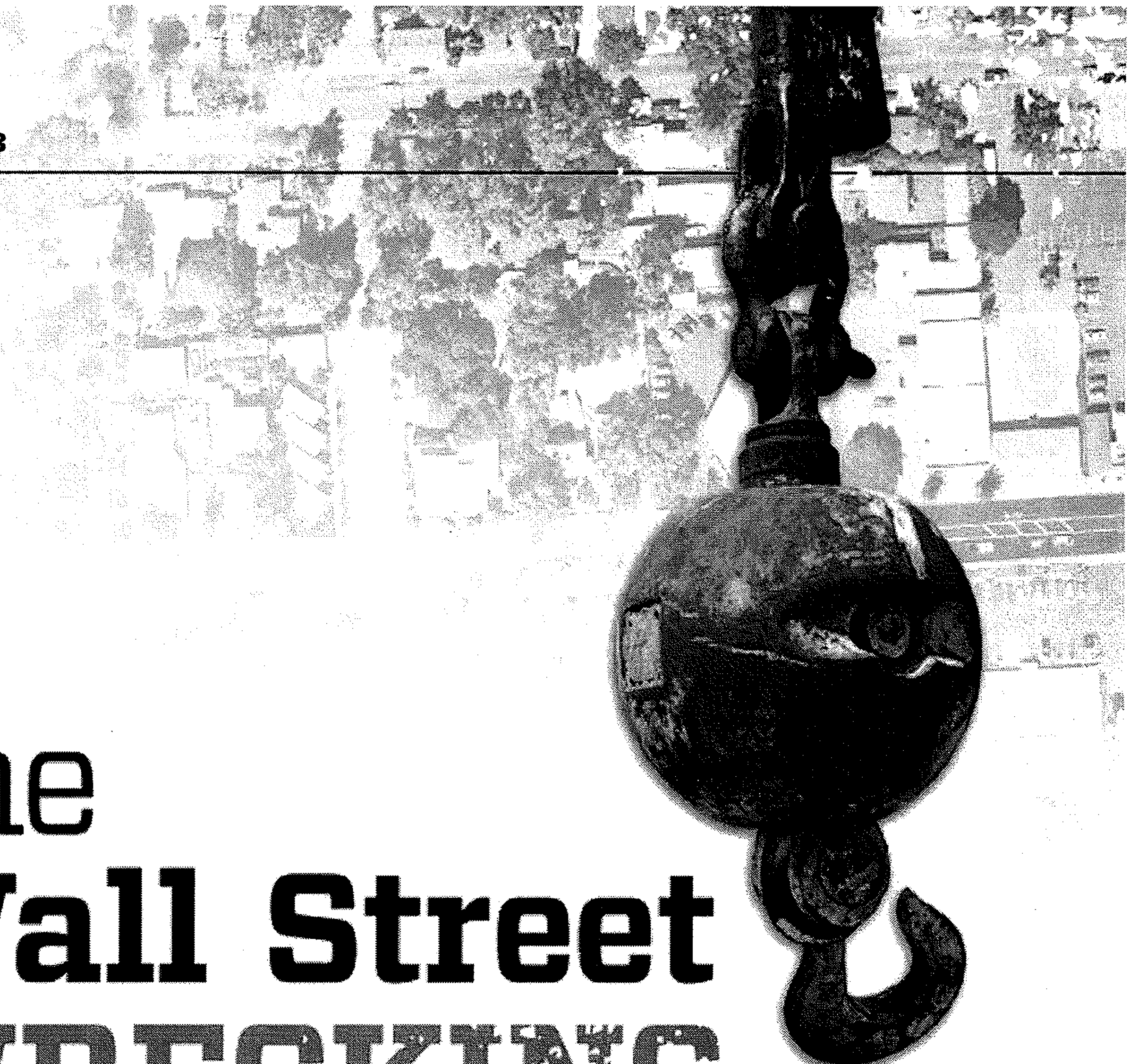
Hi Mayor Mclaughlin,

Thanks for agreeing to come to the press conference tomorrow. We are meeting at 622 24th St. at 1:30 pm and the press will be there at 2pm. I am attaching some talking points and a copy of the report we are releasing. The goal of the press conference is to outline the fact that the foreclosure/underwater crisis is not over and is still hurting a lot of people here in Richmond. We want to keep families in their homes and we think the solution is for the big Wall Street Banks who got us into this mess in the first place to do principal writedowns. We don't want to emphasize too much the eminent domain issue because we know it is very controversial and we don't really want to tip our hands to the opposition. Eminent Domain is really the last resort because MRP is going to ask to buy the loans first. Of course if reporters ask about eminent domain ACCE members are prepared to say that we want the banks to do principal write downs but if they won't we think the city should explore all available options to write down principal. Please let me know if you have any questions 415-377-9037.

Thanks,

David Sharples
Alliance of Californians for Community Empowerment (ACCE)
322 Harbour Way, Suite #25
Richmond, CA 94801
Cell phone 415-377-9037
Email: dsharples@calorganize.org
www.calorganize.org
Facebook: https://www.facebook.com/ContraCostaACCE
Twitter: @Calorganize

April, 2013



The Wall Street WRECKING BALL

What Foreclosures Are Costing Richmond and What We Can Do About It

ACCE
Alliance of Californians for Community Empowerment

The Wall Street Wrecking Ball: What Foreclosures Are Costing Richmond and What We Can Do About It

Richmond residents are still reeling from the effects of the Great Recession, which brought record rates of unemployment and foreclosure and blew holes in state budgets nationwide. While it was Wall Street's toxic lending practices and recklessness that created the economic crisis, it is Richmond homeowners and taxpayers who are still paying the price.

The big banks that caused this crisis have not done enough to fix it. Instead, they exacerbated it with "unsafe and unsound" mortgage servicing and foreclosure practices that have led to countless unfair and unnecessary foreclosures.[1]

The consequences to homeowners, taxpayers, and the economy have been severe. **More than 900 Richmond families lost their homes in 2012 alone, and more than 4,600 are now underwater on their mortgages (49%).** Richmond communities couldn't afford this crisis when it began, and we certainly can't afford to let it continue any longer.

Economic experts agree that the overhang of underwater mortgage debt has a stranglehold on the housing market and the broader economy. Resetting these mortgages to fair market value would stabilize the housing market, stem the tide of foreclosures, stimulate the economy by returning nearly $66 million a year into Richmond residents' pockets, and help create nearly 1,000 jobs locally.

Right now, there are 230 Richmond Homeowners in the foreclosure pipeline - meaning they have been issued a notice of default on their mortgage, or a notice that their house has been scheduled for auction. Each day, more and more Richmond residents fall into default on their underwater mortgages. Too many of these homeowners will face foreclosure this year. All federal foreclosure prevention programs to date have failed to rise to the urgency of the crisis in our communities. We need bold action at the local level to reset mortgages so that Richmond families can stay in their homes and our communities can start rebuilding the trillions of dollars of wealth that was wiped away when the banks crashed the economy in 2008.

Richmond by the Numbers[2]

914 foreclosures in 2012

$216 million lost home value in 2012

$1.4 million in declining property tax revenues from 2012 foreclosures

$7.9 million cost to local governments from 2012 foreclosures

4,649 underwater homeowners

230 homes currently in the foreclosure pipeline

49% of mortgages are underwater

$712 million negative equity in underwater homes

Foreclosures devastate homeowners and their families, and the costs hit all of us.

Foreclosed Homes Lose Value

When a home falls into foreclosure, it loses about 22% of its value.[3] For the average Richmond home that means a loss of $77,600.[4] That adds up to nearly $71 million in lost home value for the 900 foreclosures in 2012 alone. But the value lost in foreclosed properties is just the tip of the iceberg.

Neighboring Homes Lose Value

Foreclosures reduce the value of neighboring properties as well. On average, Richmond homes lose $3,173 in value just by being within an eighth of a mile of a foreclosed property. As a result, neighboring homeowners in Richmond have lost an estimated $145 million in home value due to foreclosures in 2012 alone.[5] This is in addition to the $71 million lost in the foreclosed properties, for a total of $216 million of lost home value in Richmond. With lower home values, families have less home equity to use to fix up their homes, fund retirement, pay college tuition, grow their small businesses, or pay medical bills.

We All Lose Wealth, Especially People of Color

African-Americans and Latinos have been hit especially hard by the housing crisis. The racial disparities in subprime mortgage lending have been well-documented. Minority borrowers were much more likely than white borrowers to receive high-cost subprime loans.[6] The bursting of the housing bubble and subsequent recession has fueled a record-high wealth gap between whites, African-Americans, and Latinos nationwide. Minority households experienced greater losses because home equity constituted a relatively large portion of their wealth compared to other types of assets. Median wealth fell by 66% among Latino households, 53% among African-American households, and just 16% among white households. The median wealth of white households is now 20 times that of African-American households and 18 times that of Latino households. These ratios are about twice as high as the ratios that existed before the onset of the housing crisis and recession.[7] The fact that Richmond is 68% African American and Latino makes these statistics all the more devastating.[8]

Plummeting property values cause tax revenues to decline

Lower home values result in less property tax revenue for state and local governments. Richmond homes lost an estimated $216 million in value as a result of foreclosures that took place in 2012 alone. Because of these devastating losses, property tax revenues in Richmond plummeted an estimated $1.4 million, contributing to the budget crisis.[9] A National League of Cities survey found that foreclosures and the declining housing market are among the leading causes of fiscal budget crises. As a result, cities are hard-pressed to pay for services like libraries, parks, police and fire.[10]

As foreclosures continue, the costs to taxpayers add up

A typical vacant foreclosure costs municipalities $19,227. That includes legal fees and expenses associated with managing the foreclosure process, increased policing and fire suppression, inspections, maintenance, and lost or delayed taxes and utility payments.[10] Not included in this figure are the costs of providing increasing safety net support to foreclosed families, such as transitional assistance and homeless shelters.

If a home isn't sold at the foreclosure auction, it typically reverts back to the bank. Many of these bank-owned foreclosed homes sit vacant for months or even years, driving down the value of other houses in the neighborhood and becoming magnets for crime. It is estimated that violent crime increases 2.33% for every 1% increase in foreclosures, making neighborhoods more dangerous and requiring greater police presence.[12]

Bank-owned homes that became vacant in 2012 **cost taxpayers in Richmond an estimated $6.5 million.**[13]

Table 1: The Cost of Foreclosures to Richmond Homeowners & Taxpayers (2012)

ZIP Code	Foreclosures	Loss to Foreclosed Homes	Loss to Surrounding Homes	Total Loss to Home Values	Property Tax Decline	Cost of Maintaining Vacant Homes	Total Cost to Richmond
94801	303	$23,504,316	$48,077,010	$71,581,326	$458,120	$2,249,559	$74,289,005
94804	448	$34,752,256	$71,084,160	$105,836,326	$677,353	$3,210,909	$109,724,678
94805	163	$12,644,236	$25,863,210	$38,507,446	$246,447	$1,057,485	$39,811,379
Total	914	$70,900,808	$145,024,380	$215,925,188	$1,381,921	$7,899,874	$223,825,062

Foreclosures put our children's education and health at risk

The full cost of foreclosures cannot be measured in dollars alone. Children of foreclosure tend to do less well in school. Their peer relationships and social networks are disrupted and fractured, and their physical and emotional health suffers.

When foreclosures force families to move, their children often change schools. Studies show that children who switch schools underperform relative to their peers in reading and math, with each move setting a child back by about one month.[14] Children who change schools frequently are also more likely to have behavioral problems, be held back, and drop out of school.[15]

The financial and psychological stress of foreclosure takes a toll on the whole family. Foreclosures have a negative impact on physical as well as mental health. Families in foreclosure are less likely to have money available for health care and more likely to postpone necessary health care. A recent study found a direct correlation between foreclosure rates and health problems, including increases in emergency room visits, hospitalizations for hypertension, diabetes, anxiety, and suicide.[16]

Underwater mortgages undermine our economic recovery and cost Richmond jobs

More than 4,600 Richmond homeowners are $712 million underwater on their mortgages.[17] Homeowners are said to be "underwater" or "upside down" on their mortgages if they owe more than their homes are worth. This means they have negative equity in their homes. The overhang of underwater debt has a devastating impact on both the housing market in Richmond and the broader economy.

Whether or not a home is underwater is the best indicator of whether the homeowner will default on the mortgage. According to a research paper by Ocwen Financial, borrowers who are underwater are 150%-200% more likely to eventually default on their loans than those with positive equity in their homes.[18]

Once they default, those borrowers are well on their way to foreclosure. A 2009 report by the Congressional Oversight Panel of the Troubled Asset Relief Program (TARP) found that 93.4% of homeowners with prime loans that default on their mortgages end up in foreclosure.[19]

Not only does the overhang of underwater debt prolong the foreclosure crisis, but it is also preventing an economic recovery. When homeowners see the equity in their homes disappear, they feel less financially secure and cut back on spending. Instead they spend a larger and larger share of their modest recession-era paychecks on their inflated boom-era mortgages just so they can stay in their homes. Because the economy is in such dire straits and sales are down, businesses cut hours and lay off workers, which makes it even harder for those workers to pay their bills. As Richmond families are forced to make decisions about which bills to pay with their shrinking paychecks, those that have no equity left in their homes are increasingly likely to be forced to default on their mortgages in order to put food on the table.

Many Richmond Homeowners Face Foreclosure this Year [20]

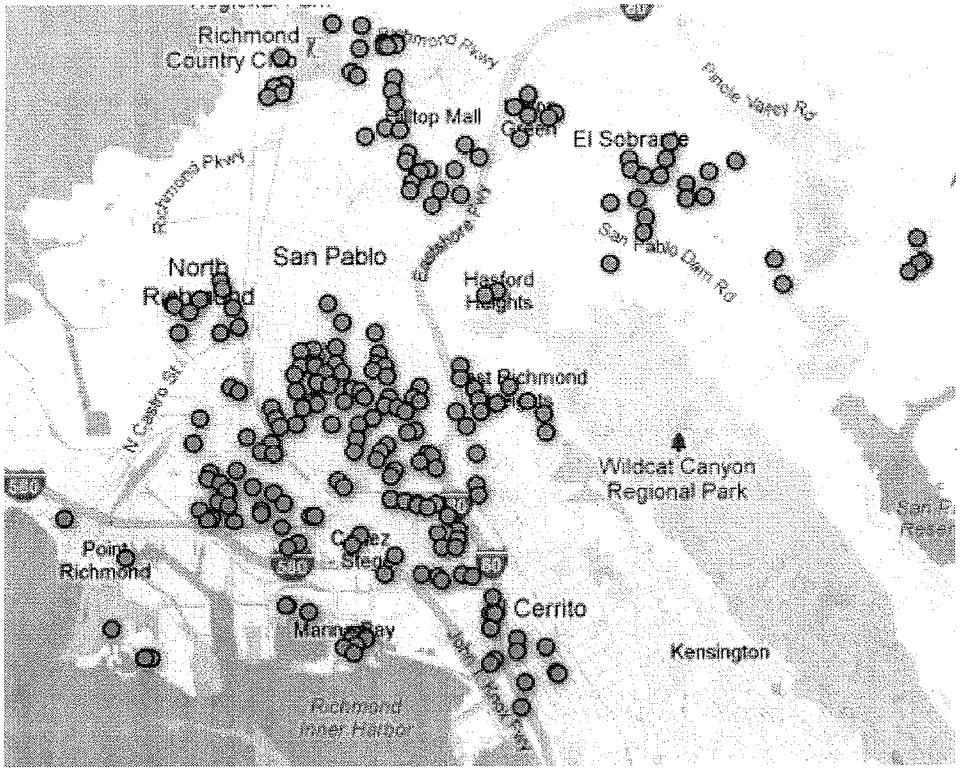
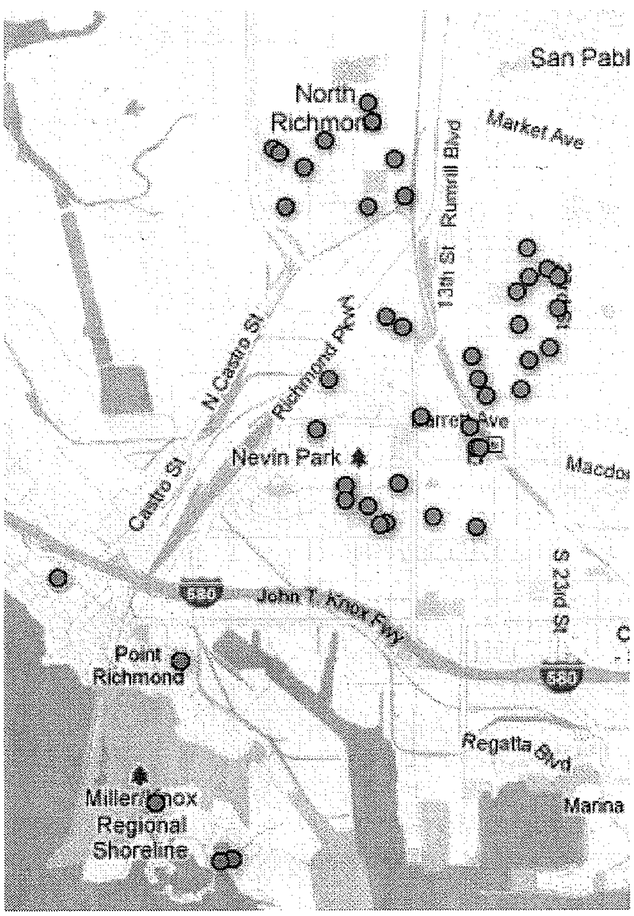


Figure 1 - Richmond Homeowners in Foreclosure Pipeline



Currently, Richmond has 230 homes in the foreclosure pipeline - homes that have been issued either a notice of default or notice of trustee sale. This data is from a snap shot in time (April 2013) and not cumulative. That means that each day more and more families enter the foreclosure pipeline as they are unable to remain current on their mortgage. Additionally, each day more families are kicked out of their homes by foreclosure. Of these 230 families, 111 have been issued notices of default (a notice that they are behind on their payments) and 119 have been issued notices of trustee sale (a notice that their home is scheduled to be sold at auction).

Underwater mortgages are clearly a driving factor in Richmond's foreclosure pipeline. Of the total 230 homes in the pipeline, 206 are underwater on their mortgage. Richmond homeowners currently in the foreclosure pipeline are a total $41,293,545 underwater. The average homeowner facing foreclosure in Richmond is $179,537 underwater. Without major action, more and more homeowners underwater on their mortgages will move into the foreclosure pipeline each day.

Figure 2 - Foreclosure Pipeline for Zip Code 94801

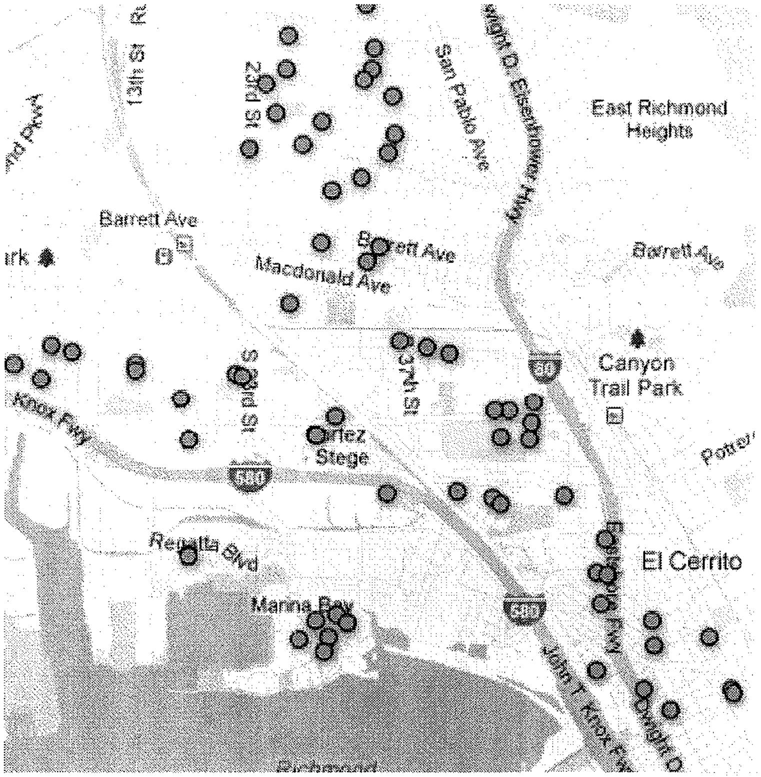


Figure 3 - Foreclosure Pipeline for Zip Code 94804

We need bold local action to reset mortgages to fair market value.

Nearly all of the major foreclosure prevention programs that have been enacted have failed because they have not forced lenders to aggressively write down mortgages. We cannot end the foreclosure crisis or the economic crisis until we reset mortgages to fair market value by writing down the principals and interest rates on underwater loans.

If banks reset these 4,600 mortgages to fair market value with current principals and interest rates, it would save underwater Richmond homeowners an average of $1,180 per month on their mortgage payments, or $14,157 annually. This would pump $66 million into the local economy every year, which would help create 973 new jobs locally in Richmond and help replenish the local tax base.[21]

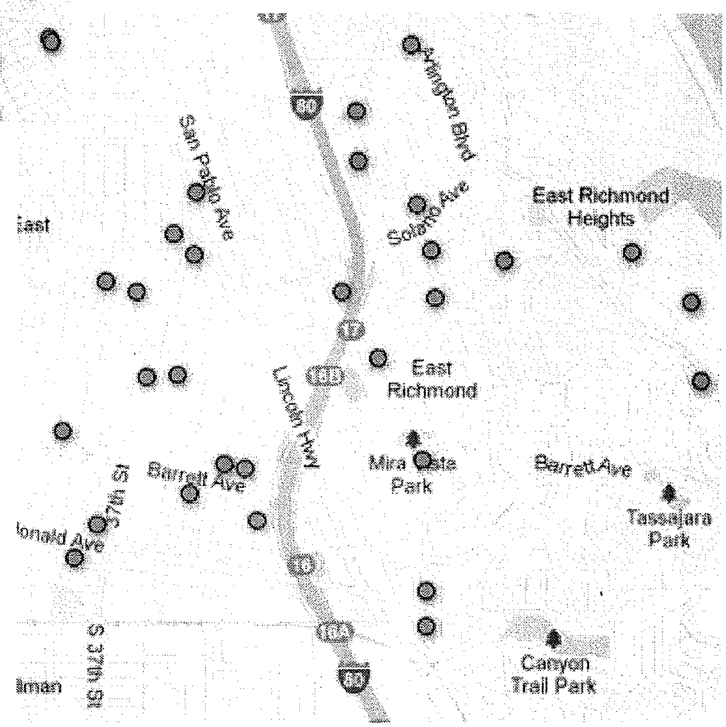


Figure 4 - Zip Code 94805 Foreclosure Pipeline

Table 2: The Impact of Resetting Underwater Mortgages in Richmond

ZIP Code	Underwater Homess	Percent of Mortgages Underwaters	Total Negative Equity	Annual Stimulus from Resetting Mortgages	Jobs Created by Resetting Mortgages
94801	982	51%	$150,343,218	$13,902,492	205
94804	2,435	52%	$372,796,065	$34,473,082	510
94805	1,232	42%	$188,617,968	$17,441,8222	58
Total	4,649	49%	$711,757,251	$65,817,396	973

Not only would this be good for homeowners and the communities they live in, but it would also be good for the investors who own these underwater mortgages. When a home goes into foreclosure, the investor is saddled with many foreclosure-related costs like legal fees, maintenance costs on the property, and sales costs. The Center for Responsible Lending estimates that for prime borrowers, these costs amount to 49% of the total unpaid principal on the mortgage, and that for subprime borrowers, they come to a staggering 75%.[22] Investors in underwater mortgages would also fare much better if they reset the mortgages to fair market value.

Even though big Wall Street banks caused the Great Recession with their recklessness and predatory lending practices, it is homeowners, taxpayers, and schoolchildren that continue to pay the price. Because federal action has proved inadequate, it is time for city officials to act to lift Richmond out of this crisis. They need to explore every means at their disposal to reset underwater mortgages and stop foreclosures. Every passing day more families lose their homes. Now is the time for bold action so we can get our economy back on track.

Who is Responsible for this Mess?

Wall Street's reckless and predatory lending practices have devastated Richmond communities. Bankers pushed homeowners into high-cost loans they couldn't afford and kept inflating the housing bubble so they could get their bonus checks. When Wall Street's bets went sour, the bankers were bailed out by taxpayers and got to keep their bonuses but Richmond families lost hundreds of millions in savings in their homes.

Wall Street's recklessness is well-documented and continues to have devastating consequences as they use flawed—and, in some cases, fraudulent—procedures to flood the housing market with foreclosures that have thrown tens of thousands of Richmond families out of their homes.

In 2012, the five largest mortgage companies in the U.S. agreed to a $26 billion settlement with 49 state attorneys general and federal officials for their role in these practices.[23] That is not nearly enough to compensate communities for all the harm that has been done, as this report documents.

Banks Should Adopt New Policies to Save Richmond Homes and Our Economy

The picture need not be as bleak as laid out in this report. Banks can take immediate steps to help struggling Richmond homeowners.

First, Banks should commit to writing down the principal of underwater mortgages that are in the foreclosure process. Although this solution won't be right for all borrowers, a large majority of Richmond homeowners could afford to make their monthly payments if there mortgages were reduced to the current fair market value. This would let them stay in their homes, would protect neighbors and communities from further depreciation, would save lenders and bondholders money, and would protect the public from further cuts in government services.

Second, Banks must be more transparent about its mortgage practices. To make amends for its history of predatory and discriminatory lending that has harmed the African American and Latino communities in California, the bank should make available detailed information about the relief that it is offering in our state. By providing zip-code level data, banks can protect the privacy of individual homeowners while proving that it is no longer discriminating against people of color.

Third, Banks should immediately stop all foreclosures in Richmond until the first two policies are implemented. In the event that it takes a few months to set up a fully functioning principal reduction program, there needs to be an immediate halt on all foreclosures. Banks have done enough harm. It's time to stop. Richmond deserves a break.

Endnotes

1 In 2011, federal regulators found "unsafe and unsound" practices related to mortgage servicing and foreclosure processing at 14 of the largest mortgage servicers Some of the practices they found became commonly known as "robo-signing."

2 2012 Numbers are based on the hardest hit Richmond city zip codes: 94801, 94804, 94805.

3 Pennington-Cross, Anthony. The Value of Foreclosed Property. Journal of Real Estate Research, Volume 28, No. 2, April-June 2006.

4 Based on a median home value of $393,600 from the U.S. Census Bureau's American Community Survey 2005-2007 3-year estimates.

5 Immergluck, Dan and Geoff Smith. The External Costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values. Housing Policy Debate Volume 17, Issue 1, 2006. It conservatively estimates that a foreclosed property will cause the value of neighboring homes within an eighth of a mile (about 50 homes) to drop 0.9%. Higher estimates put the decline at 1.4% in low-to moderate-income communities and others double the impact radius to a quarter of a mile.

6 "Lost Ground, 2011: Disparities in Mortgage Lending and Foreclosures," Center for Responsible Lending, November 2011 and "Income is No Shield Part III. Assessing the Double Burden: Examining Racial and Gender Disparities in Mortgage Lending," National Council of Negro Women and National Community Reinvestment Coalition, June 2009 and "Unequal Opportunity Lenders? Analyzing Racial Disparities in Big Banks' Higher-Priced Lending," Center for American Progress, September 2009.

7 Pew Research Center. Twenty-to-One: Wealth Gaps Rise to Record Highs Between Whites, Blacks and Hispanics. July 26, 2011.

8 Based on 2010 Demographic Profile Data from the U.S. Census Bureau

9 Property tax losses were estimated using lost home values (foreclosed and impacted homes as described in prior section) and effective tax rate of 0.64% for Contra Costa County from the U.S. Census and Tax Foundation.

10 CA Board of Equalization, CA Property Tax Oveview. http://www.boe.ca.gov/proptaxes/pdf/pub29.pdf

11 Kingsley, G. Thomas, Robin E. Smith, and David Price. The Impacts of Foreclosure on Families and Communities: A Primer. Urban Institute. July 2009.

12 "After foreclosures, crime moves in," The Boston Globe, November 18, 2007.

13 Based on bank-owned property (REO) data from RealtyTrac.

14 Isaacs, Julia B. The Ongoing Impact of Foreclosures on Children. Brookings, April 2012.

15 "The Impact of the Mortgage Crisis on Children." First Focus, May 2008.

16 "Tying Health Problems to Rise in Home Foreclosures," Wall Street Journal, August 31, 2011.

17 Based on a model for underwater mortgages developed by Catalist from underlying data from July 20, 2012.

18 Ocwen Financial, Curing Underwater Mortgages, Preventing Foreclosures and Avoiding Moral Hazard through Principal Reduction, Shared appreciation Modifications, March 2011.

19 Congressional Oversight Panel, October Oversight Report: An Assessment of Foreclosure Mitigation Efforts After Six Months, October 9, 2009.

20 Data from ForeclosureRadar.com as of April 2013

21 Calculate using the methodology from The Win/Win Solution: How Fixing the Housing Crisis Will Create One Million Jobs, New Bottom Line (201) and data from Catalist's model of underwater homeowners and Zillow's Negative Equity Report for the fourth quarter of 2012.

22 Li, Wei and Sonia Garrison, Fix or Evict? Loan Modification Return More Value Than Foreclosures, Center for Responsible Lending, March 22, 2011.

23 "States Negotiate $26 Billion Agreement for Homeowners," New York Times, February 2012.

The Wall Street Wrecking Ball

What Foreclosures are Costing Richmond and What We Can Do About It

Talking Points

WHAT IS THE REPORT?

- This report highlights the recent damage that Wall Street has caused Richmond homeowners in the past year through foreclosure.
- The report also highlights the impending damage Wall Street Banks set to cause to Richmond due to homes currently in the foreclosure pipeline – homes that are at some stage of foreclosure as of April 2013.
- The Report focuses on the main Richmond zip codes of 94801, 94804, and 94805.
- The report shows how underwater mortgages are weighing down Richmond's housing market and economy.
- The report offers a call to Wall Street Banks and Richmond elected officials to do everything within their power to stop the foreclosure and underwater crisis.

WHY WE'RE RELEASING THIS REPORT?

- The housing crisis is not over, and is still devastating Richmond communities.
- There were **914 foreclosures** in the main Richmond zip codes in 2012.
- This high number of foreclosures led to over $200 million in lost home value for Richmond residents in 2012.
- In addition, **230 Richmond residents are currently in the foreclosure pipeline**.
- Currently, there are over **4,600 Richmond homeowners who are underwater** on their mortgage.
- These numbers are unacceptable, and hurt African American and Latino Richmond residents in particular.
- Resetting mortgages to fair market value would save each underwater Richmond homeowner over $14,000 per year and would pump $66 million into the local economy every year, creating hundreds of jobs.

- Richmond city officials and Wall Street banks need to take bold steps to stop the foreclosure and underwater crisis.