

COMMONWEALTH

Mortgage Programs that Work

Solving the Mortgage Meltdown, Continued

In the last issue of *Commonwealth*, I discussed the big bank bailout and the aftermath of the mortgage crisis, specifically efforts of conservative commentators to blame the crisis on irresponsible poor people, organizations advocating for more home-ownership opportunities, and government officials pressuring banks to make risky loans.

This version of the blame game is largely without merit. It's worth noting that independent mortgage companies, like Countrywide, issued about half of the subprime mortgages, many of which went into default. Such companies don't comply with the Community Reinvestment Act (CRA), don't carry mortgages on their books and made wads of money by selling mortgages to financiers. They in turn bundled hundreds or thousands of loans into a package for sale to investors worldwide. This operation didn't focus on home ownership; the goal was to feed the beast, to approve as many mortgages as possible. The quality of those loans was irrelevant.

Let's keep in mind that national organizations, including ACORN, long ago sounded the alarm about far too many subprime mortgages being processed. Many thousands of borrowers could have qualified

Subprime continued on page 3



A Local Approach to Solving the Economic Crisis

SPC Community Forums, Grassroots Strategies, and What You Can Do

In this moment a lot of us are wondering what's going on in the economy and what we can do about it. To help figure this all out, the Syracuse Peace Council has organized a series of community forums on the subject, which some of our members and staff have become involved with. This article will review some of the ideas that have come up, give a brief recap of the process so far and let you know how to find out more and get involved.

Forums continued on page 3



Ojo Nominaciones abiertas para el Common Cents 2009

Cada compra hecha con la tarjeta Visa de Cooperative Federal, genera un "pequeño sencillo," un porcentaje es compartido con grupos locales sin fines de lucro. Los socios de la Cooperativa de Crédito votan y nos dejan saber cómo debemos distribuir los fondos para las organizaciones locales, nominadas por nuestros socios. Cuanto más use su tarjeta de Cheques VISA para compras, es más dinero que podemos donar. Para nominar a su organización sin fines de lucro favorita y recibir el premio Common Cents, visite una de nuestras oficinas o envíe un correo electrónico a info@coopfed.org, escriba el nombre, la dirección, y actividades de la organización que desea nominar. Por favor también incluya su nombre-sólo los socios de la Cooperativa de Crédito pueden nominar una organización. Los nominados para el Common Cents deben ser organizaciones 501c3, or tener patrocinador fiscal 501c3, sin fines de lucro y servir en Syracuse.

Entonces, venga y vote en nuestra Reunión Anual en Marzo 15.

Preparación de Impuesto - Gratis

Consiga asistencia gratis para sus impuestos por medio del programa VITA, de P.E.A.C.E., Inc. Llame a 634-3756 para hacer una cita.

Con el programa VITA, usted puede conseguir su reembolso e-Filed, y, si usted elige depósito directo, su reembolso puede recibirlo dentro de 7 - 10 días laborales. Esto le puede ahorrar mucho dinero, en comparación con los llamados "reembolsos rápidos" de un preparador de impuestos privado, donde los cargos pueden hacer crecer el porcentaje de interés anual hasta el 200% o más.

Prevención de Ejecución de Hipotecas

En Enero, Cooperative Federal unirá sus fuerzas con una coalición de organizaciones sin fines de lucro locales, para combatir ejecuciones en el Condado de Onondaga. Juntos, con nuestros aliados en Home HeadQuaters, y otras agencias bases en Syracuse, estamos creando una "selección de prioridades" con un sistema que proveerá un punto de contacto para que los propietarios de casa puedan conseguir el mejor asesoramiento, las herramientas financieras, consejos legales de acuerdo a su situación. Esta iniciativa de dos años fue fundada por NYS Banking Department and the NY Division of Housing and Community Renewal.

Para más información, llame al 473-0291. Recuerde: La mejor defensa en contra de una ejecución de hipoteca es actuando anticipadamente.

¡Díganos su historia!

¿La Cooperativa de Crédito le ha ayudado a construir su crédito? ¿Arreglar sus finanzas?, o ¿a empezar un negocio? ¿Le dimos una mano para comprar su primer carro o primera casa? Ayúdenos a ayudar a más personas como usted, contándonos su historia. La usaremos para mostrar a los fundadores, compañeros y potenciales socios como Cooperative Federal da poder a la gente y refuerza comunidades. Para darnos una mano, envíe un correo electrónico a info@coopfed.org o llene un formato en alguna de nuestras oficinas.

Traducido por Patricia Farfan

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Southwest Office · Southwest Community Center · 401 South Ave · Syracuse, NY 13204 · Northside Office · 800 North Salina Street · Syracuse, NY 13208

Telephone 471-1116 · www.cooperativefederal.org · info@coopfed.org

Tell us your story!

Has the credit union helped you build your credit, fix your finances, or start a business? Did we give you a hand buying your first car or your first home? Help us help *more* people just like you by telling us your story. We'll use it to show funders, partners, and potential members how Cooperative Federal empowers people and strengthens community. To give us a hand, send an email to info@coopfed.org or fill out a form in any Cooperative Federal office.

"The Buzz"

Headlines and Highlights from the Cooperative Federal Universe

Foreclosure Prevention

This January, Cooperative Federal will join forces with a coalition of local nonprofits to combat foreclosures throughout Onondaga County. Together with our allies at Home Headquarters and other Syracuse-based agencies, we're creating a "triage" system that will provide a single-point of contact for homeowners to get the best counseling, financial tools, and legal advice for their situation. This two-year initiative is funded by the NYS Banking Department and the NY Division of Housing and Community Renewal.

To get help now, call 476-5290. **The best defense against foreclosure is ACTING EARLY.**

Cooperative Federal wins Wachovia NEXT Award

In December, Cooperative Federal was one of just six Community Development Financial Institutions (CDFIs) to receive a 2008 NEXT Award—one of the most prestigious awards for responsible lending in the US. Cooperative Federal took home the prize in the *Community Impact* category for our fair and affordable loans that are alternatives to predatory financing. For the full story, log on to www.cooperativefederal.org and click on "latest news."

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473-0275

Common Cents 2009 Nominations Open



Each purchase made with Cooperative Federal's VISA Check Card generates "small change," a percentage of which is shared with local nonprofit groups. Credit union members vote to tell us how to distribute funds to local nonprofits that are nominated by our members. The more you use our VISA Check Card for purchases, the more we donate.

To nominate your favorite non-profit to receive Common Cents, stop by any Cooperative Federal office or send an email to info@coopfed.org listing the name, address, and activities of the non-profit you wish to nominate. Please also include your name – only credit union members can nominate an organization! Common Cents nominees must be 501c3 organizations or have a 501c3 fiscal sponsor, and serve Syracuse.

Then, come vote at our Annual Meeting on March 15!

Northside Office Grand Opening

It's official! On Tuesday, December 2, more than eighty community partners, leaders, and members joined Cooperative Federal to celebrate the Grand Opening of our Northside Office, located at 800 North Salina Street. Before tucking in to a delectable meal (catered by Tommy Jackson's Saint Louis Finest Catering as well as Tunura's Homemade Specialties) and friendly conversation, guests listened to inspiring remarks from community organizer Dominic Robinson, Economic Development Director David Michel, Board President Julie Gozan, and Treasurer/CEO Ron Ehrenreich.



Pictures from the Northside Grand Opening Celebration
Left: Members and staff mingle; Top: Ron speaks about the new office; Right: Dominic of the Northside Collaboratory welcomes the credit union and discusses Northside revitalization

New FOM Group

We're happy to welcome the **Onondaga School of Therapeutic Massage** to the credit union's membership groups! This means that all employees and students at the school are now eligible for credit union membership, and all the great services that come with it.

The Onondaga School of Therapeutic Massage provides training in the science of massage with the intent of graduating exceptionally trained, high-quality massage therapists. The school has two campuses: one in Syracuse and one in Rochester.

The school offers both full-time and part-time programs, supported by modern equipment, beautiful learning environments and a highly qualified, talented teaching faculty. You can check them out at www.message-school.com or call 315-424-1159.

If your business or community group would like to become one of the credit union's membership groups, please give us a call! Contact Sheila at 473-0205.



Subprime continued...

for conventional mortgages but instead fell for hucksters' sales pitches, ads promising quick approval of mortgages applications. People signed up for loans with unfavorable terms including higher interest rates.

That scenario contrasts with the work done by credit unions, small-town banks and grassroots organizations. Those entities went to great lengths to qualify loan applicants for fair, affordable loans: analyzing credit problems, showing folks how to clean up those problems, making sure that a household could afford a specific mortgage payment.

As a result, groups like Jubilee Housing of Syracuse aren't operating in a crisis mode. Jubilee, which operates primarily on the South Side of the city, built new structures and then carefully screened people before allowing them to move into a house. There was a match between affordable housing and responsible applicants.

Nationally, Habitat for Humanity isn't foreclosing on dozens of properties. The group's chapters around the country ask for a commitment from potential homeowners, including a requirement that applicants build sweat equity by working on their future home.

Forums continued...

At the root of this process is the belief that we as a community can overcome the economic challenges that face us. The government may or may not be able to get us out of this mess, and while we're hoping that it eventually can, we don't expect to get results that we want to see without taking some initiative and getting creative here at home.

Many ideas for action have come up during the community economic forums, including supporting regional initiatives (i.e. to responding to NYS tax cuts) and national initiatives (i.e. "People's Bailout," www.jwj.org/bailout). One idea that has emerged as an important theme is supporting our local economy. A strong local economy provides a buffer against the trends of national and multi-national corporations, which come and go with little regard to the effects on individual cities or neighborhoods. We all can help strengthen the local economy as individuals by buying local products and doing business locally (i.e. with our Credit Union!). To be even more effective, we can work cooperatively to build our local economy by developing local business alliances, developing a local currency, investing in community businesses and infrastructure, or developing alternative modes of exchange, like bartering.

The idea of developing a local currency in Syracuse has been getting a lot of attention in these discussions. There are many examples of local currencies all over the world, as close as the "Ithaca Hours" in Ithaca, NY (ithacahours.org). Local currencies are beneficial to the local economy in a number of ways, mainly in that they can provide an extra incentive for people to

Again, Habitat for Humanity initiates loans that an individual household can afford.

Ethical lending practices combined with education and counseling have likewise kept the vast majority of the U.S. credit union industry out of the financial meltdown.

And yet, home-ownership programs aren't perfect. They are complex, plagued by extensive paperwork procedures, and sometimes manipulated by financial hustlers. In Syracuse, as in other cities, investors have "flipped properties." They bought a house, found an appraiser willing to say the residence was worth \$30,000 more than its actual market value, and then dumped the property on an unsuspecting individual. That person had to deal with a property worth much less than the amount she or he paid for it.

The abuses associated with such transactions are unfortunate for homeowners and taxpayers alike. Various analysts have called for the federal government to spend more money on investigations, to make it more difficult for the hustlers to practice their trade.

At the same time, fraud is in no way endemic in community-based home-ownership programs. Legitimate organizations like Jubilee Housing or Habitat for Humanity aren't the exception; they are the norm.

do business locally and they allow us to create and determine our own sense of economic value rather than relying exclusively on wider trends. If you think that this idea is one that we should try to create in Syracuse then keep reading to find out how to plug in and get involved.

If you missed out on earlier sessions, here's a brief recap of what's been going on. The first event, Oct. 19, was an open discussion which featured five local experts including Cooperative Federal Treasurer/CEO Ron Ehrenreich. On Nov. 17 there was a second forum, the objective of which was to discuss specific actions we could take. On Dec. 18 there was a presentation by Cooperative Federal Financial Education Instructor Kira Crawford and her partner Jason Eaton. That presentation included an in-depth look at specific economic initiatives that have been used in other communities across the country. Most recently, on Jan. 18, Isidor Walliman of Basel, Switzerland gave a presentation on the Social Economy Network Cooperative that he's a part of. He explained in detail how the Cooperative was formed and how it goes about issuing a local currency.

At the time of this printing there aren't any more educational events scheduled, but there are people planning to meet to determine what's next. If you would like to get involved or simply find out what's coming up, you can contact me at 473-0223 or nickcavanaugh@coopfed.org. You can also visit the wiki at <http://syracuse-economy.wikispaces.com/> to discuss local economy matters with others and learn more about what's going on.

Nick Cavanaugh

Indeed, non-profit housing agencies have stepped forward to deal with problems created by the mortgage crisis. In Charlotte, North Carolina, Self Help CU, a well-known community development credit union, announced plans to buy 25 abandoned homes, fix them up and sell them to qualified applicants. Similarly, Regional Housing Legal Services, an organization active in Pennsylvania, collaborated with several housing organizations on a loan program for distressed homeowners. In Worcester, Massachusetts several non-profit groups banded together to buy five multi-family complexes near the downtown area, thus creating more affordable housing.

Such groups generally operate with modest funding. Yes, HUD, the federal housing agency, announced a \$3.92 billion initiative to deal with abandoned or distressed properties. That's small potatoes when compared to other government expenditures: \$120 billion spent to prop up insurance company AIG, even more money laid out to support large financial institutions facing extinction.

Will the new administration develop a comprehensive approach to the housing crisis? I'll address that topic in a future issue of Commonwealth.

Carl Mellor

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473-0244

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- 2/18 • Home Ownership
- 2/19 • Grant Writing for Non-profits
- 2/26 • Marketing on a Shoestring
- 3/18 • Car Buying

Call Nick at 473-0223 or visit www.cooperativefederal.org for information & registration

Nick Cavanaugh

Free Tax Preparation

Get free Tax Assistance through the VITA program.

There are free tax preparation sites throughout Syracuse, operated by P.E.A.C.E., Inc.

Call 634-3756 for the location nearest you, and to make an appointment.

At VITA sites, you can get your refund e-Filed and, if you select direct deposit, can get your refund within just 7-10 business days! This can save a lot of money over getting a so-called "rapid refund" at a paid tax preparer, where fees can push the APR up over 200% or more!

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Around The Offices

Cooperative Federal Credit Cards!

We're excited to report that our credit card program is now in the final testing phase. Consider switching your credit card balances to your community credit union – keep your money at work in Syracuse, building stronger neighborhoods! Stay tuned for the official product launch, coming soon.



Save the Date - Annual Meeting

Your credit union's annual meeting will be Sunday, March 15th, 2009, from 3:00 to 5:00 pm, followed by a delicious dinner at the Westcott Community Center.

At the Annual Meeting, members elect the Board of Directors and Credit Committee, all of whom are fellow members. To nominate a member (or yourself!), contact Ron at 473-0201 or email info@coopfed.org. Members can also vote for non-profit organizations to receive a Common Cents cash award. Credit Union activists and staff report to members on the financial status of the credit union, the past year's successes and challenges, and future plans. All members are invited and encouraged to attend! At the meeting, there will be simultaneous translation in Spanish.

Annual Fee Reminder

On January 31, 2009, the annual fee for checking accounts will be deducted. Please plan for the fee, and don't forget to include it when balancing your checkbook! Our fee for personal checking accounts has remained the same for many years, at \$20.00. Business checking accounts are \$26.00.

Why is there a fee? Charging a reasonable fee for the checking account helps to cover the cost of the service, and allows us to keep all of our fees in line with our costs – instead of hitting members with high or inflated fees for other services. We also provide more personal service than you'd get elsewhere. For example, if you are in danger of bouncing a check, we make a courtesy call to let you know to add funds to your account so the check is not returned. There is no annual fee for a Super Share Checking Account, which pays money market rate dividends on an average balance of \$4,500.

Christina Sauve



Cooperative Federal

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Commonwealth 93

Credit Union Hours: Eastside Office - Weekdays, 10 AM to 6 PM, Saturdays, 10 AM to 1 PM

Southwest Office - Monday through Thursday, 10 AM to 3 PM, Friday, 10 AM to 6 PM

Northside Office - Monday through Friday, 12 PM to 6 PM

VISA, lost or stolen (800) 453-4270



Alrededor de las Oficinas

Cooperative Federal Tarjetas de Crédito!

Estamos felices de informarles que nuestro programa de tarjeta de crédito está ahora en su etapa final. Considere transferir los balances de tarjetas de crédito a su Cooperativa de Crédito comunitaria- mantenga su dinero trabajando en Syracuse, construyendo y fortaleciendo nuestros vecinos. Esté alerta a la promoción oficial del producto muy pronto.

Separe la fecha - Reunión Anual

La reunión anual de la Cooperativa de Crédito será el Domingo 15 de Marzo del 2009, de 3:00 a 5:00pm, seguido de una deliciosa cena en el Westcott Community Center. En la Reunión Anual, los socios eligen a los miembros del Directorio y Comité de Crédito, todos aquellos que son socios compañeros. Socios pueden también votar por una organización sin fines de lucro, para recibir el premio Common Cents. Los activistas y el personal de la Cooperativa reporta a los socios, el estado financiero, los sucesos del año pasado, cambios y planes futuros. Todos los socios están invitados y llamados a asistir. En la reunión, proveeremos traducción simultánea al Español.

Cargo Anual por Cuenta Corriente

En Enero 31, 2009, el cargo anual de la cuenta corriente será retirado. Sírvase planear para el cargo en su presupuesto, y no se olvide de incluirlo cuando cuadre su chequera! Nuestro cargo anual por cuentas corrientes personales se ha mantenido en \$20.00 por muchos años. Para cuenta de negocios los cargos son de \$26.00

¿Porque existen los cargos? El cobrarle un monto razonable por la cuenta corriente nos ayuda a cubrir los costos del servicio que le proveemos en vez de cobrarle cargos exagerados. Asimismo, proveemos más servicios personales de los que usted pueda conseguir en otro lugar. Por ejemplo, si usted está en peligro que su cheque rebote, le haremos una llamada de cortesía avisándole que necesita añadir fondos a su cuenta para que el cheque no sea devuelto. No existe un cargo anual por mantener una Super Cuenta Corriente, la cual basada en el mercado le paga dividendos con un balance de \$4,500.



Traducido por Patricia Farfan

The credit union will be closed:

Feb 16 for President's Day

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