

Poverty and Wealth in America: Senate Millionaires Kill Citizen Mortgage Relief

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The United States Senate took a swipe at the spirit of May Day in a spectacular show of callous indifference when it voted down a bill to provide limited assistance to citizens at risk for losing their homes. The final vote was [45 in favor, 51 opposed](#) to Senator Richard Durbin's (D-IL) mortgage assistance bill. The original version of the bill covered some but not all of those requiring assistance. The final version was even more restricted. It applied to only homeowners currently in foreclosure as a result of actions prior to the start of 2009.

The denial of assistance to citizens by Senators is ironic given the fact that the [origins](#) of the current economic crisis came from [Senate legislative actions](#) in 1999 and 2000.

While their avarice knows no bounds, their memory suffers.

Apparently these multimillionaire aristocrats of the Senate "gentlemen's club" haven't been watching the news. The International Monetary Fund declared that the United States is in a [depression](#) almost three months ago. Delinquency and [foreclosure](#) rates around the country are rising at spectacular rates. [Unemployment](#) has jumped by [3.3 million](#) in the last five months. Economic growth has [declined](#) at a rate of 6.3% in the first quarter of 2009.

What part of economic crisis can't they understand? Apparently all of it.

Memo to stingy Senators: Workers and their families are in serious trouble or about to be in trouble. That means they lack the money to pay for their homes (also known as shelter, a basic human need). These citizens did nothing to bring on this crisis.

You, the members of the Senate, are largely to blame and [you know it](#).

One of the most revealing remarks came from Democrat Ben Nelson (D-NE) who said:

"Do I want to have my rate go up so that somebody else might be able to cram down" their mortgage payment?" asked Sen. Ben Nelson, D-Neb., who voted against the bill. [Associated Press, Apr. 30, 2009](#)

Nelson has never been regarded as the sharpest tool in the shed but he's set a new standard for ignorance with this remark. Nelson was worth [at least \\$7.0 million](#) as of reporting in 2008. Obviously he needs to skimp on every penny to stay afloat. He'll offer no breaks for financially strapped citizens on the brink of ruin even if they are in trouble as a result of his support of Wall Street welfare. The bill would have no impact on his or anybody else's mortgage rate unless they qualified for help. In those cases, the rate would go down.

The [Durbin bill](#) offered a reasonable change in bankruptcy law that would allow those in foreclosure to ask (simply ask) bankruptcy judges to invoke a “cramdown.” In that process, the bankruptcy court would set a lower interest rates and longer terms on loans. This takes the case out of foreclosure and allows citizens to keep their homes and the lets banks collect the money owed at a lower rate over an extended period. ([See this](#) for a real cramdown to benefit all citizens)

The Durbin bill provided limited options since it presumed that homeowners at risk had the money to get in bankruptcy court; that the courts would be able to handle all those in need; and that the judge would accept the request for a cramdown to keep people in their homes. But the bill might have helped as many as [1.7 million homeowners](#).

Even with those limitations, Sen. Durbin was forced against the wall and had to [negotiate](#) the bill to a lower level of protection. The final bill rejected by the Senate. Associated Press reported: “The latest proposal would have restricted eligibility to homeowners already in foreclosure whose lender had not offered better terms. Homes would also have to be worth less than \$729,000 and apply to mortgage loans originated before 2009.” [Apr 30, 2009](#)

Durbin’s last stand would have provided protection some homeowners but no there’s now protection for anyone.

William K. Black is the chief fraud investigator who untangled the 1980’s Savings and Loan fiasco. His comments on the current economic meltdown are instructive and assign blame: William K. Black: ‘We need some chairmen or chairwomen ... in Congress, to hold the necessary hearings (on banking fraud) and we can blast this out. But if you leave the failed CEOs in place, it isn’t just that they’re terrible business people, though they are. It isn’t just that they lack integrity, though they do. Because they were engaged in these frauds ... they’re not going to disclose the truth about the assets.’ [Bill Moyers Journal, Apr 3, 2009](#)

Senators, you allowed changes in banking regulations that turned Wall Street in to a big casino for the “in crowd” and wiped out millions of small investors and retirement funds.

You failed to monitor the new freedoms you gave the banks and Wall Street after you stripped away citizen protections in law since the Great Depression.

You created the current depression.

And now, you’re so stingy you won’t even help a few of the many people victimized by the massive corporate fraud schemes, [Ponzi schemes](#) according to Black.

Is there any reason why even one single Senator of the 51 who voted down this assistance should remain in office to complete his or her term?

Is there any reason to hold back from recalling them where allowed or demanding their resignations in every state that they represent?

I can’t think of one. Can you?

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