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Faith in the Face of Foreclosure?

The mortgage foreclosure crisis grips us as we witness friends and neighbors wrestling with the real possibility of losing their homes. Our indignation increases as we see how lending institutions have structured their practices to take advantage of our commitment to the American Dream of homeownership, thereby leading us into temptation. Policies designed to reduce the rate and ease the fear of foreclosures are supposed to deliver us from evil.

There are three primary actors in this frightful mess. The first is the lending institutions, the icons of big business that have become the targets of our anger. The second is the strident middle class—those like you and me who were assured by both parties of recouping our losses through recovery efforts and policy reforms. The third actor is the nouveau riche—the young to middle-aged professionals who purchased homes in Arizona, California, and Florida where the pursuit of McMansion status has now left many of them facing severe loss. Stories of financial suffering have filled the cable network programs, showing how many of us Davids have been badly hurt by financial Goliaths.

Behind these main actors are many more who have played little-noticed bit parts in subplots. Their cry should get our attention. While no one denies the sinister role that lending institutions and their political confreres have played in creating the current crisis, thoughtful voices can be heard, saying policy reforms that simply address the financial excesses are insufficient to stem the foreclosure tide and secure good housing options for our current citizenry.

In a document entitled “Community Response to the Foreclosure Crisis,” Dan Immergluck notes that the current response to the mortgage crisis overlooks a significant dimension of the devastation, namely, the undermining of social capital stored up in families and close relationships. Simply put, Immergluck notes the effect that the current crisis has on the warp and woof of every-day living for millions of people.

In a section of the paper entitled “Housing Recovery,” Immergluck shines a light on the plight of renters in particular. In 2006, 30 percent of the loans to owners of rental properties were sub-prime loans, and that number was about 50 percent in poor neighborhoods. When foreclosing on those owners, the lenders indirectly force tenants to relocate and absorb the costs of doing so. Unable to find replacement housing, former renters turn to shelters and other social-support systems that are already overburdened by traditional homeless clients. In a nation where 50 percent of rental units each house between one and four tenants (families or individuals), the unsuspecting renters face tremendous challenges.

Rev. Buster Soaries, a New Jersey pastor whose church works with families facing foreclosure, notes that the social pressures in these circumstances increase the likelihood of family breakdown, substance abuse, and domestic violence. And families that find reprieve through existing foreclosure counseling programs often face foreclosure again within six months because they lack the relational support systems to hold them accountable to implement the changes in budgeting that are required to meet the terms of renegotiated mortgages.

This is where the church enters, or should enter, with its human support structures and its ability to serve as a voice for the voiceless. While the media chronicle stories of families losing half-million-dollar houses, people of faith can and should be articulating the plight of the renting poor who are getting caught in the web of landlord foreclosures. Foreclosure is not only a financial issue. Our congregations can offer social and spiritual support that helps to mitigate the pain and the costs, both financial and emotional, of the monetary and economic crisis.

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