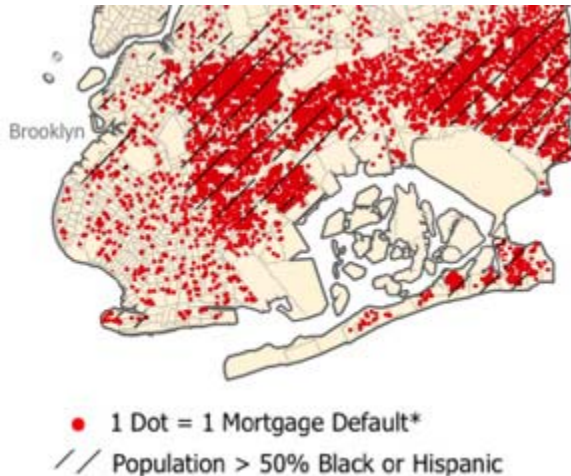




October 23, 2007

Grim Perspective on Mortgage Crisis in Poor Nabes



Former FT scribe and Bed Stuy resident James Doran has a powerful piece on WNYC this morning about how the combination of lending abuse and outright fraud are combining to hit the borough's poorer neighborhoods like Bed Stuy and East New York particularly hard. "I wish I could say that the worst is over but the projections for NYC are not good," says Sarah Ludwig, director of Neighborhood Economic Development Advocacy Project ([NEDAP](#)). "What you see is that the foreclosure actions filed are overwhelmingly concentrated in New York's neighborhoods of color."

Doran reports that the number of mortgage fraud cases on the FBI's plate quadrupled over the past year. One victim is James LeSure, who's on the verge of losing the

building he's owned on Bushwich Avenue since 1969. After paying off his mortgage completely, LeSure refinanced a few years ago when, with medical bills starting to pile up, he received a cold-call from a mortgage broker promising to solve all his problems with an expensive ARM that would, the broker said, be refinanced into a fixed-rate loan within a few months. That never happened, and now LeSure is in the process of having his one asset taken away from him. New York Neighborhood Housing Services ([NHS](#)) did one study of Bed Stuy that "almost every other house on the block had risky loans that were likely to default."

This document is provided for "fair use" not-for-profit, educational purposes (and other related purposes). If you wish to use this copyrighted material for purposes of your own that go beyond "fair use," you must obtain permission from the copyright owner.