

## Justice @ Home

The Crisis, the Crimes, the Movement

*This article introduces*

*Justice@Home – a growing movement of pro se litigants and their supporters who are fighting the foreclosure crisis and the wealth hemorrhaging from their neighborhoods. They are also working to educate, empower and restore psychic and emotional balance to their communities hardest hit by the economic crisis and the social “blame.”*



# Justice @ Home

The Crisis, the Crimes, the Movement

## *Winter in America*

Global Economic Crisis

Economic Jitters | Economic Turmoil | Bank Failures

Joblessness | Foreclosures

The headlines scream at us daily. They are matched by the cries of families and children thrown out of their homes in the dead of winter. Newscasters call it the “Great Recession.” Those at or near the bottom call it another “Great Depression.” Everyone agrees that it’s *winter in America*.

This economic winter has brought unusually high winds of unemployment and underemployment. Massive waves of housing foreclosures batter city after city. The bitter and high economic pressure has caused housing values to plummet. Unfortunately, there is no end in sight for winter in America.

According to the Nation “In 2010, banks initiated 3 million foreclosure filings. Total foreclosure filings could reach 9 million in 2011.” The average homeowner owes 26% more on their mortgage than their house is worth. The newscasters call it “being underwater.” The Great Depression only saw a 25% dip in housing values. (thenation.com)

# Justice @ Home

The Crisis, the Crimes, the Movement

See: **12 Signs That The Worst Housing Collapse In U.S. History Is Getting Worse:**

<http://www.businessinsider.com>

*It's Winter in America, yet few seem to know what to do about it. Fewer still, are those who have the will to do so.*



See: <http://www.fcic.gov/>

Hundreds of thousands of home owners passed that mark two years ago. For them 50% to 70% of their homes' values have disappeared - leaving them owing the lenders \$200,000 on a house whose market value is less than a hundred thousand. Homeowners call it "drowning."

Cities and even states are drowning with them. Many Main Street pensions were directly tied to the rising property values. Millions of hard working American's in their golden years will find themselves competing with their children for scarce jobs.

Property taxes fund education, so our children and our future sit perched on top of our houses like those who suffered during Katrina- waiting, hoping, and praying for a rescue from this devastating economic crisis. Everyone agrees that it's *Winter in America*, yet few seem to know what to do about it. Fewer still, are those who have the will to do so.

National executive and legislative responses have been anemic and shortsighted. After dissecting the Jan 27<sup>th</sup> *Financial Crisis Inquiry Commission's* report, the New York Times concluded "we're almost certain to go through another episode like 2008 in the not-too-distant future."

Wall Street, which is largely responsible for this crisis, remains insulated and pampered by billion dollar bonuses, while Main

# Justice @ Home

The Crisis, the Crimes, the Movement

Street shivers in card board houses like the homeless on the corner. Wall Street has refused to reign in mortgage foreclosures, securities violations and unethical lending practices that caused this economic winter.

Prosecutors and regulators - industry and government, “fiddled while the financial system smoldered and then burned,” according to the *Financial Crisis Inquiry Commission’s* report. They are still fiddling -- too occupied, bamboozled, insulated or paralyzed.

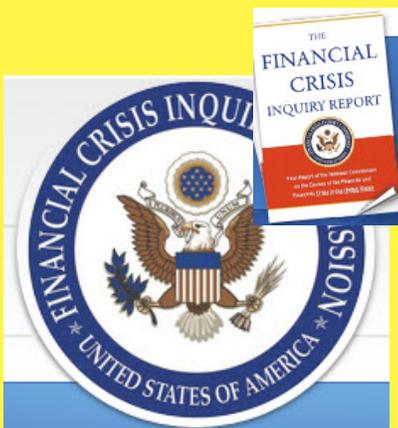


This long economic winter has pushed millions of American families into the streets. Like Katrina, homeowners wait and pray for relief only to see police and local sheriffs -sworn to protect them- oversee evictions, as homeowners’ lives are broken, shattered, thrown into dumpsters, dumped on their curbs or scattered on their castles’ lawns.

## Maybe?

In times of enemy attack or natural disasters – hurricanes, tornadoes, snow storms, and floods -- the best of the human spirit is evoked; communities ban together even crossing religious, ethnic and class lines.

But this winter’s icy winds, floods, storms and tornados have evoked none of these qualities. Homeowners, the unemployed, and the pension-less are left to fend for themselves. To add insult



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# Justice @ Home

The Crisis, the Crimes, the Movement

*Maybe it is true that the relatively few new Black and Hispanic homeowners in the US really do have enough financial power to throw the country and the world economy into such turmoil,*

to injury, they have to also fight against self-blame induced by Wall Street and the media:

“I shouldn’t have refinanced,”

“I shouldn’t have tried to move from renting to owning,”

“My mother told me not to trust them. I should have kept my money under my mattress like she did.”

“I should have kept my mouth shut, shouldn’t have spoke up at work. I’d still have my job today.”

Maybe it is because this is no natural disaster. Maybe, as the Financial Crisis Commission found, this was completely avoidable. Maybe it is true that the relatively few new Black and Hispanic homeowners in the US really do have enough financial power to throw the country and the world economy into such turmoil, or maybe it is the hypnotizing power of a tried and true American favorite - “blame the victim.”

- “If the Government just hadn’t tried to help those “subprime borrowers...”
- “The Subprime Mortgage Crisis...” (Wikipedia)
- “The Subprime Mortgage Crisis Explained...”  
(Taken from Stock Market Investors.com)



Maybe we all feel so powerless that we want the same people that the FBI says is responsible for these icy winds (The Financial Services Industry) to just “fix it” without bothering us with the details.

# Justice @ Home

The Crisis, the Crimes, the Movement



America keeps looking for spring, for better economic times. But this winter is entering its 4<sup>th</sup> year. It's like nothing we've seen in our lifetimes. Unprepared, fearful, in shock and addicted to delusion, maybe America is just looking for another drink to sober itself up.

## Seniors Lead The Way

Everyone agrees it is *winter in America*, and a few brave citizens are beginning to revive from the shock. It was bound to happen. It started slowly- individual citizens and homeowners started to awaken. When the evictions began to spread beyond the typically Black and Latino neighborhoods, the “blame the victim” hypnosis began to give way - ever so slightly - to “strategic defaults” where underwater and drowning home owners began to simply walk away from their mortgage obligations.

Nevada leads the nation in foreclosure. National Public Radio (NPR) reports that “almost 1 in 4 of Nevada's foreclosures involved a decision to walk away from the mortgage even though the homeowners could pay. This was the finding of a new study by Joel Searby, author of the Nevada Association of Realtors' new report, *"The Face of Foreclosure."*

2010 saw increases in foreclosure activity in the nation's largest metro areas. Atlanta, Seattle, and Houston Metro areas saw increases of 20, 23, and 26 percent respectively.

# Justice @ Home

The Crisis, the Crimes, the Movement



What surprised researcher Joel Searby about the Nevada survey was the large percentage of seniors who had elected to walk away. Searby says,

"We assumed that older homeowners would have a much stronger stigma, culturally, against walking away from their mortgage when, in fact, it was the opposite," These seniors abandoned the state and Federal mortgage modification and workout plans saying that they didn't help."

Nevada senior citizens are not alone – they are joined by some unlikely company- according to a July 8, 2010 New York Times article entitled the *Biggest Defaulters on Mortgages Are the Rich*, those who signed mortgages for a “million dollars and up are walking away at a rate of almost twice that of homeowners of more modest means.”



*“I’d rather fight  
than switch”*

*“I’d rather fight than switch”* is the motto of another group of citizens that are taking a different approach. They are fighting the banks -- they call them “pretender-lenders” -- in court to stay in their homes and force the lenders to come to the table with reduced principal and interest mortgage restructuring. They also want their state and local governments to uphold the age-old property rights that they believe have been trampled upon by the big banks that bundled their homes in Mortgage Back Securities (MBS) and traded them on Wall Street.

# Justice @ Home

The Crisis, the Crimes, the Movement

*Increasingly and miraculously these pro-se litigants are winning substantial legal victories.*



These ordinary citizens face the legal arsenal of the riches companies in America. Too often these David vs. Goliath battles do not replicate the Biblical ending. But that hasn't stopped the movement. Those who fight report a greater awareness of what's really going on, and are more empowered.

Increasingly and miraculously these pro-se litigants are winning substantial legal victories. They are aided by the Internet, retired attorneys, legal aid groups, consumer and community advocacy groups and some state and federal judges who say they are fed up with the way the banks trample on the law.



## Justice@Home

One such citizen group is called Justice@ Home (JAH)

“Justice@Home is a movement of pro se litigants and supportive community, individuals, groups and organizations based in the Atlanta, GA Metro area,” says Afiya Madzimoyo, one of the group’s earliest members. The group is keenly aware of the devastating effects of this economic crisis nationally and especially on the Black community in the Atlanta Metro area.

# Justice @ Home

The Crisis, the Crimes, the Movement

*“We’re not lawyers and have had to put in long hours to get this far, and we have no intention of stopping now.”*

According to another member and husband of Afiya, Wekesa Madzimoyo, “It is an empowerment movement designed:

- To stem the voluminous and often wrongful foreclosures of our communities through direct court action
- To restore psychic, emotional and social balance to our people and the nation
- To educate the community about the crisis and options for resolving it
- To build coalitions with other local, state and national groups working for equitable solutions to the nation’s economic crisis”

For nearly two years now, the Madzimoyos have been fighting some of the nation’s biggest banks- GMAC, JPMorgan Chase, and BNYMT (Bank of New York Mellon Trust). They claim the banks have no standing to receive his monthly payment or to foreclose on his Stone Mountain home. He’s challenging the banks to prove their standing in court. He and his wife’s case is now headed for the 11<sup>th</sup> Circuit Court of Appeals. It’s been a hard road he says: “We’re not lawyers and have had to put in long hours to get this far, and we have no intention of stopping now.”

Mr. Madzimoyo says that it’s far beyond his house: “Our communities are being devastated. The Black communities in South DeKalb and Metro Atlanta were prime targets of predatory lending, so property values are down 50-70%.” The report is based on a review by Equity Depot, a Kennesaw-based

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real estate research firm. Black churches and Black schools are being hurt too.

The Union Recorder reports: “More than 90 metro Atlanta churches were posted for prospective foreclosure from 2006 to 2010, an analysis by the Atlanta Journal-Constitution found.” Flat Rock Community Church, the oldest Black church in DeKalb County had to recently shut its doors after facing foreclosure proceedings on its building. DiverseEducation.com details how HBCUs (historically Black colleges and universities) are hit in an article entitled: With Economic Slump, Fewer Students expected to Enroll in Black Colleges.

He says: “Georgia legislators won’t stop it; they won’t protect us. We must stop it ourselves.”

Quoting an Atlanta Journal-Constitution article published just last week, Madzimoyo says that DeKalb county had 18,781 new foreclosures in 2010, and 1,534 new foreclosures in January of this year” (Article: Vacant Buildings Cost Owners 02/08/2011).

“There are nearly 20 families who are a part of this movement, and momentum is growing daily. Some are newly unemployed; some are tired of the failed promises of the HAMP program. All are learning to fight with the only thing we have available – the courts.” Abena Ajanaku- a part of the JAH movement says, “We’re not lawyers, but we can read, and we’re willing to share our experience and help each other.”

# Justice @ Home

The Crisis, the Crimes, the Movement

*In Jan. GMAC agreed to pull foreclosures on 10,000 Maryland properties with Jeffrey Stephan's signature.*



US Congressman  
Hank Johnson (D-GA)



Jeffrey Stephan -  
Robo-signer

*"We rely on GA state law,  
and case law from  
Georgia..."*

## Realistic?

Can such a movement really be effective facing the legal army of some of the biggest companies in the country?

Earlier this year, Pro bono Attorney Thomas Cox of Portland, Maine extracted sworn testimony from Mr. Jeffrey Stephan - an employee of GMAC (now Ally Financial), proving that the lenders have routinely submitted falsified documents to foreclose on homeowners. These documents were signed by "robo-signers"- ill-trained workers who sign between 400-1000 documents per day without proper verification, and without notary witnesses.

While chairing a December 15<sup>th</sup> 2010 U.S. Congressional Judicial Committee hearing, Georgia representative Hank Johnson called Mr. Stephan the "Master robo-signer." Maine ruled against Mr. Stephan and GMAC in favor of the homeowner. Florida has chastised GMAC for their continued use of robo-signers.

In Jan. GMAC agreed to pull foreclosures on 10,000 Maryland properties with Jeffrey Stephan's signature. While Stephan has received the most attention, he's by no means alone. The 50 states Attorneys General have started investigating the lenders. Ohio has sued GMAC and Jeffrey Stephan personally. Ironically, it is Mr. Stephan who has signed paper work in Mr. Madzimoyo's case.

# Justice @ Home

The Crisis, the Crimes, the Movement

*"We rely on GA state law, and case law from Georgia and across the nation to challenge the fraudulent foreclosures."*



As lopsided as they are, these David vs. Goliath victories have produced most of the evidence of widespread lender mortgage and securities violations.

Justice@Home members are inspired. "I had no idea of the widespread fraud and the underhanded tactics the banks use to force people, who want to pay, out of their homes, says JAH member Judy Smith.

Wekesa Madzimoyo says "we rely on GA state law, and case law from Georgia and across the nation to challenge the fraudulent foreclosures. Georgia lawyers have lagged behind lawyers in other states like Florida, so finding Georgia case law is like finding a needle in a hay stack." "In our movement," Madzimoyo continues, "seniors citizens volunteer research hours to help those who are in litigation to find relevant case law."

Unlike states like Ohio and Massachusetts, Georgia Courts haven't chastised banks for violating age-old property laws, and haven't protected its citizens against bank excesses and abuse spawned by their decisions to trade homes on Wall Street via what they call mortgage backed securities (MBS).

By contrast, the Massachusetts Supreme Court has recently held that US Bancorp and Wells Fargo couldn't foreclose on a house while not holding a valid assignment giving them title to the house. The New York Times reported that the highest court in Massachusetts concluded:

# Justice @ Home

The Crisis, the Crimes, the Movement



*The banks' "Blame the Victim" strategy seems to be working...*

“that neither institution had proved it had the right to evict the borrowers; the Supreme Judicial Court voided the foreclosures, returning ownership of the properties to the borrowers and opening the door to other foreclosure do-overs in the state.” (*U.S. Bank National Assoc. Vs. Ibanez*)

The Massachusetts judges determined that the securitization industry practices infringe on real-estate law regarding how mortgages are transferred. This is critical because the securitization process, guarantees by Fannie Mae and Freddie Mac and credit default swaps make it more profitable to foreclosure on a homeowner's property. This discourages banks from “working it out” with homeowners. Instead, the securitization process encourages abuse of the Georgia's Power of Sale statutes.

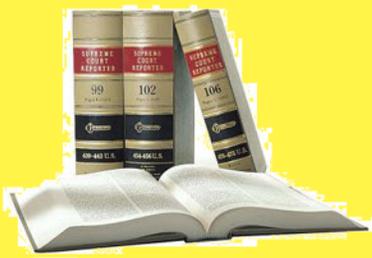
Even the Supreme Court of Alabama has ruled against such abuse. In *Paint Rock Properties v. Shewmake* the justices “determined that the mortgagees' (lender's) exercise of their power of sale was not for the legitimate purpose of recovery of a debt, but rather served the improper purpose of oppressing the plaintiffs or enabling the defendants to acquire the property.”

The banks' “Blame the Victim” strategy seems to be working, says Mr. Madzimoyo.” He continues, “Georgia law makers and judges seem to prefer to see homeowners as deadbeats “*trying to get a free house*” while allowing big banks to take homes that they

# Justice @ Home

The Crisis, the Crimes, the Movement

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don't own, allowing them to trample on Georgia citizens and to disregard the 333-year-old requirement of writing in land transactions (Statute of Frauds 1677).

We have seen cases where the homeowner challenging a lender's standing to foreclose is required to "tender their arrears" or back payments to the court or to a company that doesn't have proper title to the homeowner's home. Many homeowners are trying to find the correct party, the secured creditor with whom to negotiate.

If the homeowner doesn't have the money to "tender his arrears," the bank, or pretender-lender can take the property just because they say they are the correct party to pay, and because the justices are going along with breach of law. Regardless of the law's original intent, it's being used now to protect banks who are devastating our communities. This abuse calls into question the non-judicial foreclosure laws in Georgia and the value of its common citizens vs. the new "landed gentry."

We believe that only a pro se litigant movement will stop this. Lawyers have been slow to represent people who have little or no money against companies who have pockets as deep as the ocean. This is especially true, since these lenders have the ears of both national and state legislators. Our movement is inspiring and educational and empowering.

# Justice @ Home

The Crisis, the Crimes, the Movement



*Martin Luther King, Jr.*

*Warned us against “maximizing the minimum and minimizing the maximum”*

*FBI estimates that 80% of the responsibility rest with the banks, leaving only 20% for the borrowers.*

The Ohio Attorney General has sued GMAC and Jeffrey Stephan on behalf of the people of Ohio; Georgia’s attorney general doesn’t have the power or the will to do so.

## Maximizing the Minimum

Then there is the one part that only we can do - heal from the re-opened wounds of oppression. Earlier, we mentioned how the “blame-the-victim” strategy affected law makers and judges, but the blame the victim strategy also works on the victim’s attitudes. “People feel ashamed,” Madzimoyo said. “They blame themselves, but don’t know the whole story. They don’t talk about being in financial trouble until it’s too late - their houses are gone, possessions scattered, family depressed and sometimes dispersed. Because of America’s racial history this “subprime crisis” as it was called just poured salt into a wound born of oppression.

It caused us to do what Rev. Martin Luther King warned us about: “maximizing the minimum, and minimizing the maximum.” It’s acknowledged in financial circles that Black people and any people grouped as “subprime” borrowers didn’t create this crisis.

According to film maker and activist, Michael Moore, the FBI estimates that 80% of the responsibility rest with the banks, leaving only 20% for the borrowers. Moore is not alone - “Alan Greenspan, Christopher Cox and John Snow, when questioned by House Oversight in 2008, all agreed that Fannie Mae and

Freddie Mac were **NOT** the primary cause of the [economic] meltdown” (<http://thinkprogress.org/2008/10/23/mica-waxman/>).

Still the induced self-blaming in our community goes on silently, unabated. While investors (who were not blamed) have organized to sue the banks and win restitution, we’re maximizing our role which was minimal, and we’re minimizing the banks’ role which was maximal. It’s difficult to organize for concerted action or education when people are beating themselves in silence.

Justice@Home has neighbors talking to neighbors about who really is at fault for what. Justice@Home has engaged them to come together to learn and to heal.

We must fight, and we will fight for our community and all communities who are suffering under the weight of massive income and wealth inequities, joblessness, bank excess and illegalities. We will fight for as long as lawyers, bankers, servicers, and their supporters bask in the summer of high salaries and bonuses at the expense of others who still suffer from this bitter-cold *winter in America*.

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