

Lenders: a swarm of swindlers

CHICAGO — Like vultures, the mortgage lenders began circling the single-family house with the tiny front lawn on Merrill Avenue.

They knew that the woman who owned the house was old and sick and that her two aging daughters were struggling with illness and poverty as well. That was all to the good as far as the lenders were concerned. The predator's mission is to home in on the vulnerable.

"The people that wanted to put through the loan called me about a hundred times," said Rosa Dailey, who is 65 and going blind and needs an oxygen tank at times to help her breathe. "I kept telling them no, because I didn't think we could afford it. But they kept saying how it was to our advantage. So I finally said: 'All right, let's see what we can do.'"

That was the beginning of a tragic spiral, with one unaffordable loan following another. As Dailey put it: "I feel like they led me down a dark alley."

Dailey told me her story in the freezing living room of the house on Merrill Avenue, which no longer has a working furnace and is growing shabbier by the day. It's all she has left. Her mother and her older sister are dead

now. Her only income is about \$1,300 a month from Social Security — less than the monthly note on the house, which is in foreclosure proceedings.

Bob Herbert



One aspect of the so-called mortgage crisis that hasn't been adequately explored is the extent to which predatory lenders have committed fraud against homeowners. They have pushed overpriced loans and outlandish fees on hapless victims who didn't understand — and could not possibly have met — the terms of the contracts they signed.

In some cases, corporate con artists have deliberately targeted and seized the equity of financially strapped and unsophisticated owners. In some cases, homes have been stolen outright.

This is an issue crying out for a thorough federal investigation.

Dailey and her sister, Betty Jones, agreed to refinance the mortgage on their ailing mother's home in 2000. Neither understood how deeply into debt they were slipping. They struggled to make the payments and hang on to the house after their mother died, although neither was working and their only income was from Social Security. Then Jones was hospitalized with a heart condition.

As illogical as it may sound, the two women were pressed to refinance yet again in 2005. There was no way they could legitimately qualify for such a loan, and the lenders had to know it. But they persisted.

On Aug. 8, 2005, a representative of the Argent Mortgage Co. took Dailey from the Merrill Avenue house to her sister's bedside at Kindred Hospital. There the women signed papers for a loan that they were told would bring their monthly payments down to a manageable level.

Betty Jones was dying. Dailey's eyesight was too poor to read the papers shoved in front of her. Both women were frightened and confused.

"I was told that was the only way I could save the house," Dailey said.

Thousands of dollars in additional fees were heaped upon them. And the required monthly payment was more than they could possibly have afforded.

Jones died the following December. Dailey was left with the sick realization that she had been had, that in her confusion and desperation she had agreed to terms that were impossible.

"I'm terrified," Dailey told me as she wrapped a sweater tightly around her to ward off the cold. "I can't sleep anymore. They're trying to take the house away from me, and I wanted to stay here until I died. That was what I was really trying to do."

A lawyer, William Spielberger, has taken up Dailey's case. He said she and her sister were clear victims of fraud, that the companies pushing loans on them had deliberately inflated their meager incomes on the loan applications, had inflated the value of their property, had imposed unconscionable terms and fees and were fully aware that the two women did not know what they were getting into.

He has filed a federal lawsuit on Dailey's behalf against a number of companies, including Citi Residential Lending, a subsidiary of Citigroup that acquired Argent Mortgage this past summer.

A spokeswoman for Citi Residential said she could not comment on the case because of the pending litigation.

I asked Dailey on Monday how she'd be spending her Thanksgiving. She said her money for the month had run out, so she wouldn't be doing anything special.

"I'll be right here," she said. "I've got some corn flakes and canned vegetables. That'll be my Thanksgiving."

Bob Herbert is a New York Times columnist.

Afghanistan: a mission in peril



Afghan boys returned home as the sun set one evening last month over the Afghan capital city of Kabul. By Rafiq Maqbool/Associated Press

Civilian deaths erode vital Afghan support

By Peter Bergen and Katherine Tiedemann
Special to The Washington Post

The road between the eastern Afghan city of Jalalabad and the Pakistani border is one of the busiest in the country, congested with gaily painted trucks, battered taxis, buses packed to the rafters and Afghans riding bikes. One morning in early March, a suicide bomber plowed a Toyota packed with explosives into the middle of a U.S. convoy patrolling that road, killing himself and injuring a Marine. That was bad enough,

but what may be the key to Afghanistan's future was what happened next.

As pedestrians scattered in the resulting confusion and chaos, other Marines opened fire as their convoy sped away, shooting at vehicles and pedestrians over the course of some 10 miles, according to the Afghanistan Independent Human Rights Commission. They left at least 12 civilians dead in their wake and injured dozens more. "They opened fire on everybody," one wounded bystander told a reporter, "the ones inside the vehicles and the ones on foot." A court of inquiry is scheduled to convene next month at Camp Lejeune, N.C., to determine whether the Marines

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Owensboro's community conversation

A town meeting helps create a 21st Century vision



An aerial view of Owensboro, Ky.



Fiddle player Barney Dickens, 66, of Owensboro, right, participated in the Friday After Five event. By Gary Emord-Netzey, The Messenger-Inquirer

By Fran Ellers
Special to The Courier-Journal

Just about every community has issues that reveal a disconnect between citizens and community leaders. Paying for a bigger and better library system has been one such issue in Louisville.

Owensboro, Ky., has such issues, too. In 1990, for example, voters there rejected a city-county merger pushed by civic leaders. Since then, however, the relationship between Owensboro's citizens and its leaders has been slowly changing.



Fran Ellers

That's because they've been involved in an experiment of sorts to engage each other in the hard decisions that communities and their elected leaders must make to prosper in the 21st Century.

A defining moment in that experiment came two weeks ago when Daviess County residents from all walks of life streamed into the Executive Inn to take part in a modern-day town meeting. Five



The popularity of Friday After Five led to expansion of the patio at the RiverPark Center. By Robert Bruck, The Messenger-Inquirer

subjects were on the agenda: education, jobs, the environment, health care and, yes, changes to local government that might include merger.

The meeting itself was something to see. A seamless integration of people and technology, it lasted seven hours without a break (participants got box lunches delivered to their chairs), and virtually all 650 people stayed un-

til the end, when local elected officials stood up in front of them and answered questions about what they might do in response.

It's certainly fair to be skeptical that a single gathering, no matter how well attended, can make a major difference in a community's future.

On the other hand, at the end

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Equal rights, not special ones

By Aletha Fields
Special to The Courier-Journal

What an amazing week of Thanksgiving! Family and community celebrations across our city highlight the tremendous blessings we have each received. As a teacher, one of the blessings I am grateful for is the ability to read — even when it hurts to read the stinging bigotry from those who are opposed to the inclusive language that the JCPS Board of Education should adopt to protect all workers in JCPS.

As a 10½-year veteran teacher inside JCPS, I acknowledge the various ways our district is stellar: the amazing number of students who learn to read and write; the millions of dollars our graduating seniors receive



Aletha Fields

in scholarship money; the student leadership that buds, develops and pours out at every level; the award-winning teachers who lead our classrooms every single day; the ethnic diversity of several schools such as mine, Iroquois High School; and the list goes on. Every bit of this achievement stands because of our incredible community of learning in this district, a nice proportion of this success supported and developed by teachers, bus drivers, custodians, principals, cafeteria staff and countless others who are lesbian, gay, transgender and bisexual.

JCPS should adopt protective language to support its lesbian, gay, transgender and bisexual employees. This language should be parallel to that which Metro Louisville currently supports through the Fairness Ordinance. The ordinance, originally passed by both the Board of Aldermen and the County Commission, and then passed again after merger by the new Metro Council (a 19-6 vote), prohibits discrimination based on sexual orientation and gender identity. JCPS should adopt the parallel language of the Fairness Ordinance to ensure equal (not special) treatment of JCPS employees, just as those at Humana, UPS, U of L and other major employers in this area receive.

Without a vote to protect sexual orientation and gender identity for JCPS employees, our district will not hold up to its reputation as a flagship of diversity and acceptance. The only confusing piece in this entire conversation is: When is it acceptable to deny protection to all workers? Face it, lesbian, gay, transgender and bisexual teachers have taught most of the folks reading this very arti-

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Holiday haiku

It's that time of year again

What will you say now?

Pam Platt



Who's hungry for holiday haiku?

I hope you are. You ought to be stuffed with ideas at the end of a long year that's been replete with comedy - Travolta in drag and Walken in grins dancing in "Hairspray" - and drama - the spellbinding live coverage of the Minnesota bridge collapse - and what fell between - the ongoing Larry Craig saga. And, hey, we're still talking about bridges around here, aren't we? That qualifies as comedy/drama/everything-in-between wrapped into one package.

So set aside the turkey leftovers and put your poet's hat on because it's time for our annual Holiday Haiku Fest, in which you wax profound in three lines of 17 syllables about news and news coverage of 2007 - or anything you set your mind to.

You send in your gems, we print them and/or post them in time for Christmas.

A sampling from the hundreds we received last year . . .

Anne Burnstein of Louisville wrote:

*Peace for all peoples
Hungry fed, homeless sheltered
Christmas hopes come true.*

Zack Zeillmann of Trinity High School wrote:

*Mobs at all the stores
A great hassle avoided
Thank the online world.*

Liz Waters of Louisville wrote:

*Fear in the freeway!
Lexus about to hit me!
Drunk? No. On cell phone!*

Al Knable of New Albany, Ind., wrote:

*Kentucky wisdom:
Never burn (or build) bridges.
Don't even paint them.*

Morgan Polson of Atherton High School wrote:

*I just broke the news.
Paste it back together now.
Courier-Journal.*

Cathy Gilbert of Carrollton, Ky., wrote:

*Oh Mr. Fletcher
Please leave the mess in
Frankfort
Your clean-up is worse.*

Pru Moffett of Masonic Home, Ky., wrote:

*barack obama
versus hillary clinton*

a choice! God is good.

There aren't too many rules for this haiku fest, which is supposed to be a fun and thoughtful way to end one year and welcome another one.

The rules we have:

► Your pieces must be three lines: five syllables in the first line, seven in the second, five in the third. They don't need to rhyme.

► Your haiku must be original, and any news subject is OK - local, regional, national, international, sports, pop culture, media, news coverage, politics, personal, whatever, serious or not serious. But keep it clean. I'll repeat my warning of the last three years: No "Nantucket" nonsense.

► You may send as many

haiku as you wish, but if we're as overwhelmed with your wonderful work as we have been in past years, we probably will be able to print only one per writer; others will go online.

► Teachers, we loved all the student-written pieces we received last year and hope for similar contributions this year. But please send your classes' haiku in e-mail attachment form, with student name, grade and school with each piece. Also, please include your name and phone number and e-mail address in the event I need to contact you.

► If you're feeling really artsy, send a video clip of yourself reading your haiku.

► Please include your name, address and daytime

phone number with your submissions. No anonymous haiku here.

Mail your haiku to me at e-mail, pplatt@courier-journal.com; fax, (502) 582-4610; postal, 525 W. Broadway, P.O. Box 740031, Louisville, KY 40201. **The deadline is Dec. 8.**

It's been a while since I tried my hand at this, so just for fun I wrote a couple that reflect my 2007 and 2008 interests. Maybe they'll help you get started, too:

*Rudy, John and Mitt,
Hillary and Obama . . .
Huckabee sneaks up?*

*Hollywood showdown:
Denzel and Russell face off
Ev'rybody wins!*

*Daughter turns 18
Now voting, on to college
Was it all a dream?*

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OWENSBORO |

A city converses about its future

Continued from H1

of the day, more than half of the participants said they were confident that action would be taken as a result.

A gathering like this "reminds leaders of who they're leading" and how citizens' expectations of their leaders are changing, said Libby Alexander of Louisville, a strategic planning consultant who is working with the city of Owensboro on a plan for the future which will consider the meeting's results.

"No longer can leaders sit back and assume a) they know the right thing to do and b) they know how to educate and inform around that issue. The old methods are not working anymore."

And therein lies the lesson for other communities, including ours in Louisville.

History, culture in Owensboro

Owensboro's determination to set its own course comes in part from necessity - it does not sit along a major interstate and thus has built itself into the third largest city in Kentucky without some of the advantages other communities have.

This may account for its inventive approach to community building. Local public schools are among the best in the state, in part because of their integration of the arts; though Owensboro lacks an "official" public university, it is crafting one with the help of Owensboro Community and Technical College and Western Kentucky University in Bowling Green; and, downtown Owensboro has turned itself into a mecca for music and theater performances that people drive hours to see.

At the same time, the community struggles with a city/county divide that, so far, has doomed efforts to merge local governments and affected many other issues, from health care to higher education.

Getting citizens engaged

Over the years, Owensboro has at times benefited from progressive and politically astute civic leadership. But in the last 20 years, it has also benefited from efforts to involve ordinary people in the decisions that local leaders must make.

Back in the mid-1980s, John Hager, then co-owner of *The Messenger-Inquirer* newspaper in Owensboro, was asked to help lead a community group which would make recommendations to Kentucky leaders about Daviess County's needs in higher education. The committee decided to involve the public. And Hager learned something in the process, which ultimately led to the siting of Owensboro's community college.

"Change - real change - doesn't happen until people get



Owensboro's sprawling Medical Health System, which includes Mitchell Memorial Cancer Center as seen in this aerial view taken in July.

By Gary Emord-Netzley, *The Messenger-Inquirer*

involved," Hager said. "You can promote and editorialize until doomsday, but until citizens come together and decide to do something about it, nothing happens."

With proceeds from the sale of the paper several years later, Hager started The Public Life Foundation of Owensboro to engage citizens in community life through a three-pronged process of "information, delib-

The meeting

To be sure, these efforts have had their critics. But along the way, the community has gradually developed higher expectations for citizen involvement, both among leaders and citizens themselves - all of which was evident at the town meeting.

The genesis of the meeting was, indeed, the longtime issue

including county government.

The Public Life Foundation also put together a steering committee of ordinary citizens which quickly revised the meeting agenda on one key point - merger shouldn't be the only topic. The community had a range of issues that such a meeting could address.

Organizers also began encouraging citizens from across the community to participate,

community.

The tables then recorded their thoughts and concerns on a laptop and beamed the information over to a "theme team" of local citizens. The team skimmed the notes from 67 tables, distilled common elements and reported back to the entire room on PowerPoint slides.

Later, participants weighed in individually on the options with what looked like tiny pocket calculators. The results appeared instantaneously in colorful bar charts on big screens behind the podium.

That's how participants were able to "see" where they collectively stood on merger. Before merger can be considered, they seemed to be saying, we must be able to trust our local government. So they voted for policies to ensure more openness and transparency (63 percent included this in the top three options), and leadership training (49 percent).

Those options were followed by merger (44 percent) or consolidation and collaboration among city and county departments (37 percent). Keeping governments separate, in fact, received only 22 percent of the vote.

What's next?

The participants also weighed in on the other issues of the day; a preliminary report is available at www.wethepeopleofowensboro.com. A longer report will follow, including detailed input from the small groups. The meeting's organizers are also putting together a

"The community has gradually developed higher expectations for citizen involvement, both among leaders and citizens themselves. ..."

eration, action." (John's elder brother, Larry, had sold his interest in the paper earlier and started the Lawrence and Augusta Hager Educational Foundation, which focuses on children.)

Over the last decade, the Public Life Foundation has researched community issues, published citizen discussion guides and conducted dozens of community forums, including 52 on health care over the span of a year. It has also supported independent citizen groups in education, health care, community beautification, racial unity, global issues, poverty and youth.

On parallel track, Larry Hager's foundation, which has also supported many of John Hager's initiatives, funded "Community Conversations," a program it hoped would lead, among other things, to more productive local deliberations on children's issues.

of merger. When the latest Owensboro mayor, Tom Watson, began advocating for it, Public Life Foundation President Rodney Berry and the foundation board began discussing how best to engage citizens and avoid the rancor of the first merger debate. They knew that if the foundation began holding forums, they might not have as much credibility, given John Hager's past advocacy for merger.

But what if an independent group helped guide the deliberations? Berry knew of America Speaks of Washington, D.C., which had been facilitating "town meetings" around the country on everything from rebuilding Ground Zero to reinventing New Orleans after Hurricane Katrina. The foundation decided to bring in AmericaSpeaks. Ultimately the event was underwritten by the Hager foundations and several local businesses and organizations,

working hardest to build participation among groups that are often not represented at public forums. As it turned out, the 650 participants roughly matched the community's makeup in terms of geography, age, gender and income.

The process and results

Seven hours after those participants began talking on that sunny November Saturday, they walked out of the Executive Inn with a clear idea of which options for change they could support and which they could not.

For instance, when each participant got a chance to "vote" for his or her top three options for improving local government, merger came in third.

The voting came after small-group discussions facilitated by trained volunteers. Each table of 10 sorted through a variety of options (including their own ideas) for improving the com-

plan to follow up on the deliberations.

Of course, even Owensboro can't be built in a day, and there are many other models for engaging citizens in local decision making over a longer period, some of which are being developed and implemented by the NewCities Institute of Lexington, Ky., which sent a volunteer to help with the town meeting.

But regardless of the method, today's cities and counties really have no choice but to enlist citizens in the hard work of governing, says Sylvia Lovely, the NewCities CEO, in her latest book on community building, *The Little Red Book of Everyday Heroes*.

Moreover, Lovely says, citizens themselves have the responsibility to step up.

And that, of course, was a key point of the exercise in Owensboro. Toward the end of the meeting, citizens talked in their small groups about what they might do, individually, to make Daviess County a better place. Some shared their plans with the crowd: One promised to do a better job at recycling while another said he'd take his views to local government at public meetings. A third expressed perhaps the consensus view of the day:

"I learned a lot from my group and people here as a whole."

Fran Ellers is a Louisville writer and editor who has worked on projects for the Public Life Foundation of Owensboro and the NewCities Institute.