

# Housing is an ECONOMIC HUMAN RIGHT

**400,000 men, women, and children are homeless in California every night**

## What causes homelessness?

### Unemployment

- *Myth:* Homeless people are lazy.
- *Fact:* Due to the broken economy, 12.8 million people are officially unemployed, 8.1 million are underemployed, and millions more have been unemployed for so long that they are not even counted. Many of these jobs have been permanently replaced by technology driving the “jobless recovery”, with no regard for people, personal attitudes, characteristics, or needs. About 10% of homeless people are children too young to work at all.

### Lack of Affordable Housing

- *Myth:* The government provides housing for the truly needy.
- *Fact:* The government built or subsidized housing for low-income Americans from the 1930s to the 1970s, but has sharply reduced these programs since then. The Department of Housing and Urban Development (HUD) budget was slashed from \$83 billion to \$18 billion from 1978 to 1983 alone. Over 650,000 subsidized housing units have been lost since 1995.
- Over the past several decades, public housing budgets have decreased by 48% while funding for vouchers has increased by 403%. More and more, the public housing stock in the U.S. is being privately managed and not a single new public housing unit has been built. The government has announced its intention to continue reducing HUD funding in the future.

### Government Failure

- *Myth:* The government does not have the resources to end homelessness.
- *Fact:* The government has trillions of dollars to bail out banks and finance wars but claims it cannot afford to house the homeless. This is not a question of resources, but of whose interests the government serves - the corporations or the people? Today, there are an estimated 18.4 million vacant homes in America. A government that truly represented the people would nationalize the banks, stop foreclosures, turn over vacant homes to their original owners, and have enough left over to house the homeless.

### Discrimination

- *Myth:* There is not enough housing because there are too many undocumented immigrants.
- *Fact:* Undocumented immigrants are not eligible and do not receive any federal housing benefits, even though most pay taxes. The housing movement of today is still damaged by the segregation of African Americans it permitted in the 1930s. The only way any of us will win housing is by uniting and demanding housing for all, regardless of race, religion, or immigration status.

### Lack of Health Care

- *Myth:* The homeless are mentally ill and/or substance abusers.
- *Fact:* The homeless have their share of mental illness and drug and alcohol issues, just like other sectors of the population. However, they are aggravated because most of the homeless are part of the 50 million Americans denied health care. They are unable to access treatment facilities and programs and deteriorate when they are forced to live outside in the elements. Denial of treatment and medical bankruptcy are significant causes of homelessness.

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**By the end of 2012, there will have been 2 million foreclosures in California since 2008.**

## **What causes foreclosures?**

### **Subprime Mortgage Crisis**

- *Myth:* Government programs forced banks to loan to “uncreditworthy” people like minorities and women
- *Fact:* Predatory banks could “do bad all by themselves.” The housing bubble was created by unregulated Wall Street profiteers who created irresistible incentives to bundle subprime mortgages into worthless bonds and credit default swaps. Rating companies were paid off to give them false triple-A ratings, and subprime lenders were encouraged to openly lie about consumer loan qualifications. The Federal Reserve Bank stimulated the entire process by artificially lowering interest rates. Fannie Mae, Freddie Mac, and banks regulated by the Community Reinvestment Act all got involved later and had default rates significantly lower than the unregulated private lenders.

### **Unemployment**

- *Myth:* Foreclosures happened because of “deadbeat” borrowers.
- *Fact:* After the subprime collapse of 2007-2008, the majority of foreclosures were then against people with conventional loans, who lost their jobs through no fault of their own due to the crash of 2008. An economic system is broken when it cannot provide employment for its people at a time when so many urgent human needs are going unmet. When companies “recover” by replacing workers with technology, the situation only gets worse. Now unemployment rates cannot go down because the foreclosure crisis continues to depress consumer demand. The foreclosure rate cannot go down because unemployment rates cannot go down.

### **Corporate Crime**

- *Myth:* The government is prosecuting rogue bankers.
- *Fact:* The government is allowing the greatest fraud in human history to go uninvestigated and unpunished. Not only was fraud the method of choice for the lenders who created the subprime housing bubble in the first place, it has become the norm for almost all major banks carrying out foreclosures since then, including “robo-signing”, perjury, forgery, and tax evasion. Assessor Phil Ting recently reported that 84% of foreclosure sales in San Francisco were in clear violation of the law. In the 1980s, the FBI assigned 1000 agents to investigate S&L fraud, while today in a crisis forty times worse, the FBI has only assigned 10 agents.

### **Government Failure**

- *Myth:* The government is adequately addressing the foreclosure crisis.
- *Fact:* Government programs since 2009 have only assisted a small percentage of families foreclosed out of their homes. The recent \$25 billion government settlement with the banks represents only 3% of the \$750 billion in negative equity lost by homeowners from predatory loans. Some analysts estimate we face 10 million MORE foreclosures in the next decade, for a total of a QUARTER of all the mortgages in the country. A government that represented people instead of corporations would immediately nationalize the banks, stop foreclosures, and return foreclosed homes to their rightful owners and to the homeless and others in need of housing.