

Battling Foreclosure Crises in NJ

Newark and Irvington battle over mortgage foreclosure action plans that will have huge impacts on the working-class and homeowners specifically.

NEWARK, NJ, USA, May 17, 2016 /EINPresswire.com/ -- The politics in Essex County have transformed dramatically in recent times. The widely celebrated election of Ras Baraka as mayor of Newark is a clear signal that progressive ideals will lead in Newark.

Overshadowed by Baraka's victory were the election results in the neighboring township of Irvington where Essex County Executive Joe DiVincenzo's political machine will assume the mayor's office and the majority of seats on the Town Council.

While the official transition of power is still underway, there were important actions from both the Newark and Irvington councils that foreshadow what the elections will mean for working-class people generally and for homeowners in particular.

The Newark Council voted unanimously to approve a resolution authorizing the mayor's office to start the process of crafting and implementing a local principal reduction program aimed at keeping families facing foreclosure in their homes. The plan would ultimately use a process known as "reverse eminent domain" to purchase the most toxic mortgages from investors at fair-market value, allowing the city to repackaging those mortgages at rates that would allow working families to afford their homes and avoid foreclosure.

This unanimous action by the Newark Council came on the heels of a new report, "Underwater America," that finds Newark has the second-highest rate of underwater mortgages in the country. Underwater mortgages — where home-owners owe more on their mortgage than their home is worth — are an undisputed precursor to foreclosure.

The report found that Newark, Elizabeth and Paterson outrank hard-hit Detroit in the rate of underwater mortgages. What's most clear about the report's findings is that the foreclosure crisis is not over,



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mortgages at rates that would allow working families to afford their homes and avoid foreclosure.

and New Jersey's crisis is leading the country.

In contrast to the Newark Council's response was a vote on the same evening in Irvington, where council leaders abruptly put the brakes on plans for a similar program. Until the recent elections, the council had been moving forward with its plans and working closely with an organized group of home-owners. But the politics changed drastically after the election and a decision was made to placate Wall Street.

Despite the growing base of vocal home-owners, Council President D. Bilal Beasley indefinitely tabled a vote on the measure. Does this mean that the fight in Irvington is dead? Not by a long shot. Homeowners, frustrated by years of inaction by federal, state and now local authorities, protested the council's decision to table the measure and disrupted the council meeting, making it impossible for the council members to



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continue the session. While it is clear the political landscape has shifted dramatically, it is also clear that organized home-owners in Irvington are ready to fight.

And this brings us back to Newark, where DiVincenzo's well-funded candidate, Shavar Jeffries, lost to the progressive populist movement that supports Ras Baraka.

While the fight to save Newark families from foreclosure won't be easy, it will be backed by the progressive leadership of Baraka and the progressive voices on the Newark Council. More important, the movement to enact a policy of local principal reduction using eminent domain will be just that — "a movement."

Homeowners in Newark are already organizing to support this measure and save their homes. Even more than fighting for their homes, these dedicated and civically engaged residents are fighting to save their communities from the consequences of foreclosure: abandoned and vacant buildings; blight; crime; and untold millions drained from the city budget to manage and pay for these consequences.

While the recent elections shifted the politics of Essex County in dramatic ways, this "tale of two cities" speaks volumes about the priorities of the political progressives who bucked Wall Street in favor of the people, and the machine politicians supported by Joe DiVincenzo.

So, who will ultimately win this fight? Our money is on the people.

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