

## Patrick plans to aid subprime loan victims

Toussaint Losier

In an effort to provide help for homeowners facing foreclosures in the ongoing subprime loan crisis, Gov. Deval Patrick unveiled last week a new \$250 million home mortgage assistance program that would provide counseling as well as fixed rate financing.

Rather than using taxpayer money, Patrick said funding for the program will mostly come from Fannie Mae, the federally sponsored housing corporation that provides mortgage assistance to low- and middle-income homeowners. Fannie Mae will provide roughly \$190 million, while MassHousing, the state's affordable housing bank, will supply \$60 million.

"For many Massachusetts homeowners, the subprime crisis has turned the American dream of homeownership into a nightmare," Patrick said in a prepared statement. "Too many of our residents were put into loans they couldn't afford. This innovative mortgage loan program will give some of our most vulnerable citizens a fighting chance to keep their homes."

Subprime or "second chance" lending targets borrowers who cannot qualify for lower interest rates because of their credit history. These sorts of mortgages often begin with a low initial interest rate that resets

after two years to a higher adjustable rate.

A recent report by the Center for Responsible Lending predicted that 1 in 5 subprime loans will end in foreclosure.

According to the Association of Community Organizations for Reform Now (ACORN), the nation's housing crisis includes as many as 2.2 million homes at risk of foreclosure following a decade of subprime lending the group categorized as "reckless." Last year, lenders filed 1.2 million foreclosures against homeowners behind on their mortgages — 300,000 more than the previous year.

This year, about 1.5 million foreclosure filings are expected.

In 2006, there were 15,887 foreclosures filed in Massachusetts, the 25th highest amount in the country. So far this year, Suffolk County has seen an increase in the number of homeowners who lenders have actually foreclosed.

A study by ACORN found that there have been 263 foreclosures during the first five months of 2007, compared to only 103 in 2006. These foreclosures have largely been concentrated in Dorchester and Roxbury.

State officials were careful to describe this new program as only one part of a multifaceted solution. Pat-

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*"For many Massachusetts homeowners, the subprime crisis has turned the American dream of homeownership into a nightmare."*

— Gov. Deval Patrick



Children from Action for Boston Community Development (ABCD) Head Start programs all across the city marched around Boston Common as part of ABCD's annual Head Start Parade. These young marchers from ABCD's Roxbury Head Start program take a break to mug for the camera. ABCD Head Start serves more than 2,400 low-income children and families all across Boston. Enrollment is free, and open now for families who qualify. (Don West photo)

## Calif. community colleges rank low on transfer rates

Justin Pope

SAN DIEGO — For most of history, higher education has been reserved for a tiny elite.

For a glimpse of a future where college is open to all, visit California — the place that now comes closest to that ideal.

California's community college system is the country's largest, with 109 campuses, 4,600 buildings and a staggering 2.5 million students. It's also cheap. While it's no longer free, anyone can take a class, and at about \$500 per term full-time, the price is a

fraction of any other state's.

There is no such thing as a typical student. There are high achievers and low ones, taking courses from accounting to welding. There are young and old, degree-seekers and hobbyists — all commingled on some of the most diverse campuses in the country, if not the world.

Many students, for one reason or another, simply missed the onramp to college the first time around — people like 31-year-old Bobbie Burns, juggling work and child care and gradually collecting credits at San Diego City College in hopes of transferring

to a media program at a nearby university.

"I love City," Burns said, noting that once she transfers she'll face a less-flexible schedule and higher fees. "I wish I could keep going here."

These days, states around the country are wrestling with how to provide mass scale higher education — a challenge California anticipated decades ago.

But if California is a model in one way, it's struggling in another.

The state ranks near the top in terms of getting students in the door **California**, continued to page 25



Presidential hopeful Sen. Barack Obama of Illinois (left), listens to his chief rival for the Democratic nomination, Sen.

Hillary Rodham Clinton of New York, during a July 12 forum at the NAACP convention in Detroit. (AP photo/Paul Sancya)

## Blackstone asked to re-invest in community

Toussaint Losier

The Blackstone Group LP is clearly awash in cash.

As one of the world's largest private equity firms and the City of Boston's largest commercial property owner, it recently offered a \$20.1 billion cash buyout to Hilton Hotels Corp. If approved by Hilton's board, the deal would make Blackstone one of the world's largest hotel owners, as well.

While business analysts have praised these multibillion-dollar business deals, a coalition of Greater Boston labor and community activists have started a grassroots campaign of sorts to get Blackstone to acknowledge its role in widening the gap between rich and poor and,

more important, to start investing in Boston and other cities where they do business.

Local activists held a news conference last month in Downtown Boston and stood outside of 100 Summer Street, a Blackstone-owned office building. Representatives from the Service Employees International Union (SEIU) and other members of the "Secure Jobs, Secure Communities" campaign highlighted pressing local issues and called upon the company to invest locally.

"At a time when Boston residents are reeling from the affects of the soaring costs of housing, health care and education, I'm very concerned that Blackstone is not investing more in Boston, where they do so much

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