CRC
CAPITAL RESEARCH CENTER

Organization Trends

NACA: Neighborhood Assistance Corporation of America
ACORN's Rival in Shakedown Tactics

By David Hogberg

Summary: *Did liberals cause the mortgage meltdown? The Left blames the recession on capitalism and laissez-faire. But take a look at the government policies that weakened mortgage lending standards and consider the tactics of the "community organizing" nonprofits that bullied the banks to make bad loans.*

Those who analyze the mortgage meltdown of 2007-2008 point the finger of blame in many directions. They say the Federal Reserve's easy money policy under Fed chairman Alan Greenspan made buying houses too easy for people who couldn't afford them and inflated real estate prices. They fault the 'Government Sponsored Enterprises' (GSEs) Fannie Mae and Freddie Mac, which relaxed lending standards and securitized risky subprime loans, spreading financial chaos around the world when U.S. house prices inevitably fell back to Earth. And they criticize the Clinton administration and powerful banking committee chairmen like Sen. Christopher Dodd (D-Connecticut) and Rep. Barney Frank (D-Massachusetts) for resisting attempts to rein in Fannie and Freddie.

However, analysts have paid much less attention to the many "community organizing" groups that aggressively pressure banks to make loans to high-risk borrowers and then attack anyone who dares question their pressure tactics. The best known of these groups is the notorious Association of Community Organizations for Reform Now (ACORN), profiled in the November 2008 issues of *Foundation Watch* and *Labor Watch*. Its secretive network of affiliates undertakes activities from housing counseling and fraudulent voter registration to mass demonstrations and policy advocacy.

Self-described "banking terrorist" Bruce Marks runs Neighborhood Assistance Corporation of America (NACA), an ACORN-like group that forces banks to lend to people they shouldn't.

By comparison the Neighborhood Assistance Corporation of America (NACA) is less well-known than ACORN. Unlike ACORN, no illegal activities have been alleged against it, but its leaders and followers can be just as personally obnoxious and aggressive toward anyone they perceive as opposed to their objectives. To its credit, NACA seems to be an effective organization that truly helps many poor people obtain home loans. It does this by devising rigorous programs that help low-income persons in high-risk neighborhoods become responsible borrowers. But to

April 2009

CONTENTS

its discredit, NACA also crudely and unfairly attacks bank officials, pressuring them to make loans to other people who are likely to default on their loans.

Bruce Marks, NACA's founder and chief executive officer, is an example of the radical activist-turned nonprofit executive. The character traits that were colorful and annoying in his youth have made him a slippery and dangerous adversary.

NACA's national headquarters is located in the Boston neighborhood of Jamaica Plain but its 36 branch offices across the nation from Washington, D.C. and Chicago to Dallas and Los Angeles are where the group mobilizes its followers "to extend the reach of affordable lending and homeownership to every working person" and "to combat discrimination and exploitation of working people by lenders and financial institutions."

Time and again NACA has combined the street tactics of protest and demonstration with public policy tools such as the Community Reinvestment Act (CRA) to pressure banks into expanding their operations in poor neighborhoods. NACA typically extracts self-serving concessions from banks, forcing them to provide it with funds that it then uses to make mortgage loans to low-income borrowers. NACA rolls the fees it earns servicing these loans back into its campaign of bullying banks.

Editor: Matthew Vadum

Publisher: Terrence Scanlon

Organization Trends
is published by Capital Research Center, a non-partisan education and research organization, classified by the IRS as a 501(c)(3) public charity.

Address:
1513 16th Street, N.W.
Washington, DC 20036-1480

Phone: (202) 483-6900
Long-Distance: (800) 459-3950

E-mail Address:
mvadum@capitalresearch.org

Web Site:
http://www.capitalresearch.org

Organization Trends welcomes letters to the editor.

Reprints are available for $2.50 prepaid to Capital Research Center.

NACA is no storefront operation. According to its most recently available IRS 990 tax form (2006) NACA had about $5.8 million in income: $5.4 million came from mortgage and real estate fees with $400,000 from grants and interest on its assets of $14.8 million. As of 2007, it had obtained $10 billion in bank commitments for its own loan program. NACA's first target was Fleet Financial, a giant New England bank that had over 1,500 branches and 59,000 employees before it was sold to Bank of America in 2004. NACA subsequently went after Bank of America and Citigroup, institutions whose current financial problems are partly related to the CRA.

Origins of a Junk-Yard Dog
NACA likes to brags that it "has always taken the junk-yard dog approach – once we grab on we never let go no matter how long it takes. Once the fight was joined, NACA became these institutions' worst nightmare, doing whatever it took for as long as it took."

Unlike groups that disguise or moderate their public image, NACA is upfront about its tactics. The group's website notes:

> NACA has been accused of being overly aggressive and personal. NACA wears this as a badge of honor, leaving no stone unturned and often hounding CEOs from their shareholder meetings to their homes. The rationale is simple: lenders have a personal and often devastating impact on the lives of the people who they refuse to provide affordable credit to or take advantage of through predatory loans and scams. Families who are denied access to credit live with the consequences every day, often experiencing financial devastation and/or the loss of their homes.

To its credit NACA has put a spotlight on shady lenders such as Resource Financial Group, and it has helped many low-income workers obtain affordable home loans by requiring that they demonstrate their financial capability to handle monthly mortgage payments. The group should also be credited with issuing early warnings against letting the GSEs (Government Sponsored Entities) Fannie Mae and Freddie Mac expand into the sub-prime market mortgage. Testifying before the House Financial Services Committee in 2000, NACA founder Bruce Marks warned against "the GSEs' financial might to politically lobby and silence any critic they choose…" which he called, "one of the most frightening aspects of their power."

NACA CEO Bruce Marks is by all accounts a superb organizer and shrewd negotiator. He has glibly described himself as an "urban terrorist" and "banking terrorist."

Like many radicals, Marks's politics can be traced back to an unhappy childhood. Marks grew up in the wealthy neighborhoods of Scarsdale, New York and Greenwich, Connecticut, the son of an alcoholic toy-company salesman. The young Marks would try to hide his father's liquor bottles; he had a severe stutter, and he resented the snobbery in the country club where he played tennis but did not fit in.

After graduating from the University of Connecticut with a degree in economics and NYU with an M.B.A. in finance, Marks worked at the Department of Energy and the Federal Reserve Bank of New York. But he found his calling upon arriving in the early 1980s in Boston, where he took a job as an organizer for the Hotel Workers Union Local 26. In dealing with hotel managements, Marks and local union president Domenic Bozotto would reach agreements to set up a housing trust fund giving hotel workers help with home mortgage down payments so that they might live as well as work in Boston.

By 1988 Marks moved from union organizing to nonprofit advocacy. He founded NACA (originally called the Union Neighborhood Assistance Corporation of America) to provide mortgages to low-income borrowers. (His current annual salary is a reported $150,000.) But Marks would not merely ask banks to help NACA. He would hound them into helping.

NACA Doesn't Play Nice (With Fleet, First Union, NationsBank, Bank of America, Citigroup and Countrywide)
The first big bank to find itself in Marks's crosshairs was Fleet Financial Group of New England. The choice of Fleet demonstrated Marks's savvy. At that time, activists like Marks were claiming that many banks were

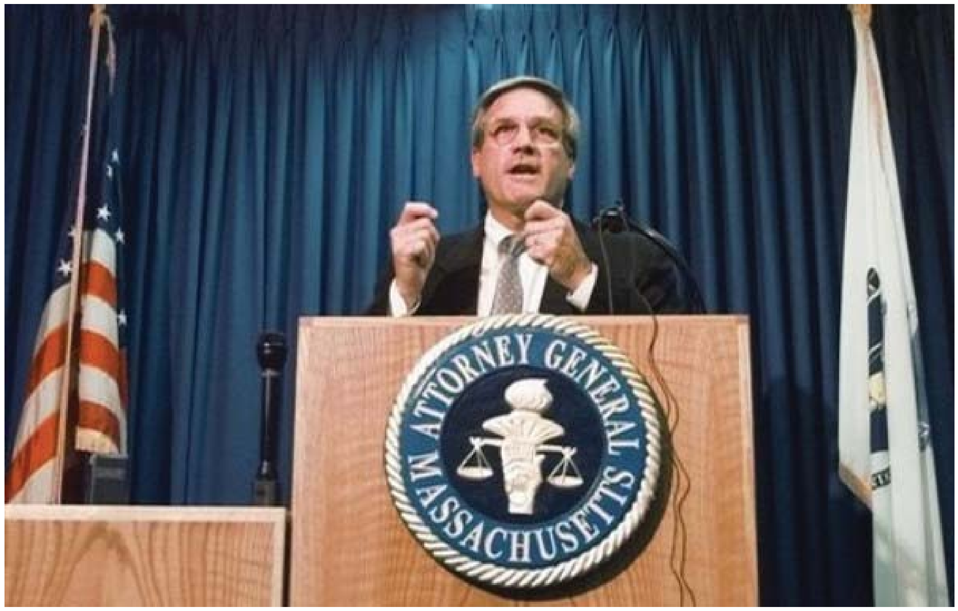
still redlining—avoiding making loans in low-income areas that were often populated by minorities. Without major banks making loans in those areas, so-called predatory subprime lenders filled the vacuum, preying on low-income borrowers. Often times they were backed, secretly, by larger banks. Fleet was far from the worst offender, but Marks went after Fleet because it was in the process of purchasing the Bank of New England. The move meant Fleet would get heightened attention from both regulators and the business media.

In 1991 Marks claimed Fleet was extending credit to private mortgage companies in Boston to offer mortgages to minorities at "loan shark rates." To back this up, NACA collected research on lending patterns in Boston and elsewhere and gave it to the Boston Globe. The newspaper began publishing stories critical of Fleet, and followed up with more stories about Fleet practices in Georgia and Illinois, which prompted further investigations by Georgia's attorney general.

The most damaging revelation NACA made was that Fleet extended a line of credit to Resource Financial Group, which made loans to minorities in Boston at interest rates that at times were in excess of 18%. The press coverage prompted Massachusetts Attorney General Scott Harshbarger to file suit against Resource Financial Group for deceptive sales practices. Fleet stopped doing business with Resource Financial Group.

NACA's 1991 campaign against Fleet was a preview of the tactics Marks would successfully use to achieve his ends. Marks earlier had informed Fleet officials that he would drop his anti-Fleet campaign if they gave his organization $20 million. "Up until now, you have dealt with community activists," Marks said, according to the Wall Street Journal. "We are urban terrorists." In retrospect, Fleet should have jumped at the offer.

It became commonplace for Marks and his shock troops, often dressed in yellow shirts, to disrupt speeches and analysts' meetings, and to vocally protest Fleet press conferences. Marks would steer supposed victims of Fleet loans toward newspaper and TV reporters, who often ran heart-wrenching stories about them. Mark's biggest media coup was his appearance on a "60 Minutes" television profile of Fleet.



A NACA campaign in the 1990s prompted action by then-Massachusetts Attorney General Scott Harshbarger.

The culmination of the anti-Fleet campaign came in 1995 when NACA activists disrupted a Harvard Business School event at which Fleet CEO Terrence Murray was supposed to speak. Murray agreed to meet with Marks four days later. In an agreement following the meeting, Fleet agreed to settle all the suits against it for $350 million. NACA would receive $140 million of that money to fund its own loan program. In addition, Fleet agreed to initiate an $8 billion loan program for inner-city, low-income neighborhoods. In exchange, Marks agreed to halt the attacks on Fleet and destroy a database NACA used to generate lawsuits against it.

The $140 million cash infusion let NACA move its anti-bank crusade to the national stage, where it turned its attention to First Union Bank of North Carolina. First Union was headed by CEO Edward Crutchfield, whom NACA dubbed "Fast Eddie" because "he sped by working people to obtain high-income customers." NACA tried to crash a First Union shareholders meeting and invaded Crutchfield's personal life. The NACA website boasts:

> NACA hounded Fast Eddie at every turn. Thousands of post cards were sent to his home and neighbors, informing them of First Union's practices. NACA drafted the "Fast Eddie Report," which contained Crutchfield's personal information, and sent it to all of his neighbors and the neighbors of First Union's directors and top officers. NACA wanted Crutchfield to understand that he had a personal impact on people's lives by denying them credit, and thus his personal life would be affected as well.

The news was spread that Crutchfield was having an affair with a subordinate and that NACA was sending protesters to the school Crutchfield's child attended. In the Boston Globe Magazine Marks defended such tactics: "What you do is who you are. It's all personal." Interestingly, the NACA website says nothing about targeting children or exposing affairs. Perhaps these boasts are too much even for Marks. One wonders how Marks would react if a group protested his daughter at her school—Marks did not return repeated requests by *Organization Trends* for an interview.

Apparently it was all too personal for Crutchfield. In May 1996, Crutchfield and First Union settled with NACA, agreeing to fund its loan program to the tune of $150 million.

A year earlier, Marks had received a $500 million commitment from another North Carolina-based bank, NationsBank. NACA secured that pledge with minimal hassle. NationsBank had a reputation for trying to aid low-income communities and, after some negotiation, it apparently decided to accept a partnership with NACA. Or perhaps NationsBank executives watched what had happened to Fleet and First Union and decided to play along.

But there were consequences to agreeing to NACA's unrealistic demands, and they became obvious as the mortgage crisis unfolded in 2007. In 1998 NationsBank merged with Bank of America, which in 2004 purchased Fleet, absorbing Fleet's $8 billion commitment to low-income neighborhoods. Bank of America also committed to providing further large sums to NACA, including $3 billion in 1999 and another $3 billion in 2003.

NACA also targeted Citigroup. In 2003, it organized 300 Citigroup borrowers to attend the corporation's annual meeting. Shortly thereafter Citigroup also ponied up a 10-year $3 billion commitment to provide mortgage loans to moderate and low-income borrowers screened by NACA.

NACA's well-earned reputation for extremism works. Banks now surrender without a fight. In 2007, NACA targeted Countrywide Bank, which quickly agreed to NACA demands that it restructure its borrowers' troubled loans. And who can blame it? The "Predator Watch" section of NACA's website encourages people who believe they are victimized by lenders to report their grievances to NACA. It urges the "victim" to "identify the lender and person that did this to you. Please attach any pictures you may have or can obtain of the person, the company or anything else that would expose them." Corporate executives beware.

NACA's Critics? Other Community Activists!

NACA's success has not endeared it to other community activists. They complain that Marks is an egotist, driven to build up himself and his organization even at the expense of other community groups.

"Bruce has a Messiah complex," said John C. Anderson, a Boston real estate analyst, to the Boston Globe Magazine. "Bruce doesn't play well in the sandbox," said Tom Callahan, a fellow community activist with the Massachusetts Affordable Housing Alliance.

In a Baltimore Sun article, Joseph Feaster, a former president of a Boston alliance of banks and community groups, complained, "His style was confrontational, even with other groups, a holier-than-thou attitude. The friction was always Bruce Marks. Who died and left Bruce Marks boss?"

Even some of Boston's minority leaders had less than nice things to say about him. "He's a bomb thrower," state Sen. Dianne Wilkerson told the Boston Globe. "He's the kind of person who would throw a Molotov cocktail and then run in with a fire extinguisher and declare himself a hero for putting out the fire."

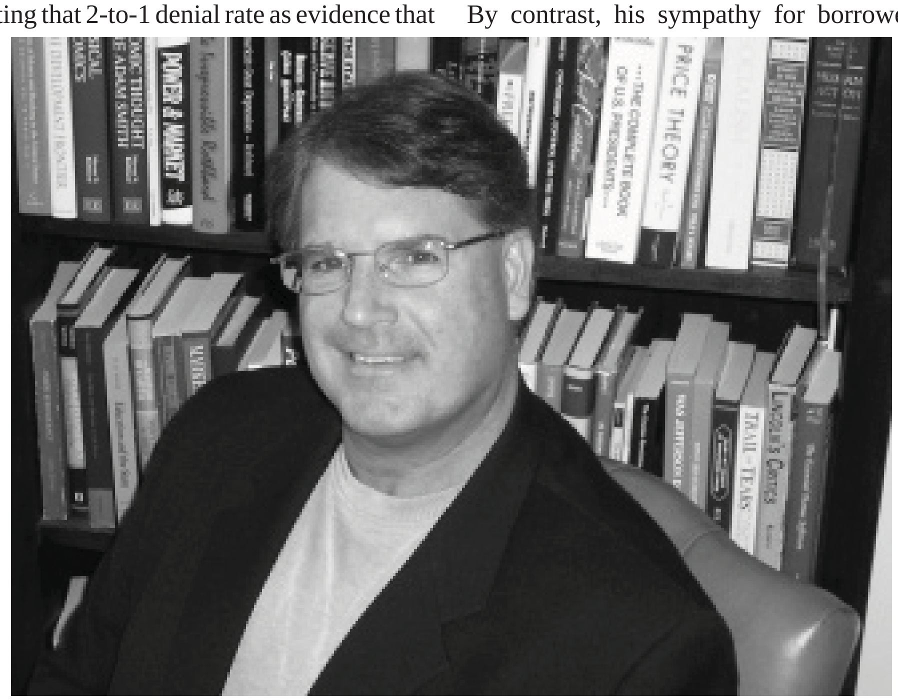
For his part, Marks has admitted that he thinks "playing nice" is a waste of time. However, he doesn't mind playing nice with banks that fund NACA. Marks has shocked other community organizers by endorsing mergers between banks that support his group. For instance, in 1996 Marks supported a NationsBank purchase of Boatmen Bancshare Inc. even though Bronx-based Inner City Press/Community on the Move (ICPCM) had filed a protest with the Federal Reserve against the acquisition. ICPCM claimed the acquisition would cost jobs and make it more difficult for consumers to get loans. It also said NationsBank denied two loans to African-Americans for every one it extended. Marks disagreed, citing that 2-to-1 denial rate as evidence that NationsBank was undertaking an aggressive outreach to minority communities.

In 2003, Marks would also defend Bank of America against other community activist groups. A number of Massachusetts-based community groups were concerned that Fleet's $14.6 billion commitment to them would not continue once Bank of America purchased Fleet. Marks told the Boston Herald that Bank of America would probably not do business with some of those groups because it expected them to show a solid track record of making loans to low-income borrowers. "The groups will have to understand that [Bank of America] will hold them accountable," Marks said.

Loan Sharks and Victims

Marks tends to divide the world into two groups: victims of bad mortgages and "loan sharks" that prey on them. NACA's website hypes the "huge subprime and predatory lending industry" that aims to entice "the elderly, lower-income and minority individuals" to agree to bad loans. "We believe all banks are evil—out to maximize profits at the expense of working people," Marks has said. Marks once showed up to a congressional hearing with a picture of Fleet CEO Terrence Murray on his shirt with the words, "Wanted. Loan Shark."

By contrast, his sympathy for borrowers



Economist Thomas DiLorenzo

runs deep. "It's tough to save money, isn't it?" Marks said at Baltimore church in 1996. "You can't pay your bills on time. You don't have perfect credit. That shouldn't prevent us from being homeowners."

In 2007, Marks said about subprime lenders, "They incentivized brokers and lenders to throw money at people knowing they couldn't afford these loans…These homeowners were never qualified correctly and they deserve modification [of the loan]." According to Marks, subprime lenders are at fault for encouraging borrowers to overstate their incomes to qualify for loans they couldn't afford. But what about the borrowers who *agreed* to overstate their incomes?

"[Marks] refused to differentiate between people suffering discrimination and people who are legitimately bad credit risks," said John Anderson.

Still, by treating all borrowers as potential loan shark victims, Marks generates publicity and public support for NACA. "Homeowners facing foreclosures are probably going to be more responsive to an organization that treats them as victims, rather than deadbeats, and promises to be their advocate in wringing concessions from lenders," wrote economics columnist Steve Pearlstein in the Washington Post.

NACA Gets the Cream, Others Get the Culls

NACA's homeowner program offers loans that even Marks has admitted "may sound to be good to be true." NACA offers fixed-rate 30-year mortgages with no down payments, no closing costs, and no fees. No private mortgage insurance is placed on the loans. High-risk borrowers can and do qualify. Even if a candidate has filed for bankruptcy or been late on four credit card payments in the previous year, he can still get a NACA mortgage.

In testimony before Congress, Marks stated that 65% of NACA homeowners had a credit score of less than 620, and nearly 50% have less than 580. (A credit score of 850 is perfect, and anything below 620 is generally considered high-risk.)

But is NACA's program a magnet for delinquencies and foreclosures? Apparently not. Marks has claimed his program had only one foreclosure in its first four years. And according to a 2007 profile in the Boston Globe Magazine, the NACA program had a 90-day delinquency rate of 1.15%, compared to a national rate of 2.95%.

Community Reinvestment Act apologist Janet Yellen is president of the Federal Reserve Bank of San Francisco.

What explains NACA's success in getting high-risk borrowers to pay their mortgages on time? Borrowers are required to complete a lengthy and demanding application process to qualify for NACA's support for their bank loan application. Consider:

- NACA has required prospective borrowers to complete assigned tasks that can take anywhere from one month to one year before they qualify for NACA support.
- Consumers with poor credit must submit budgets to NACA showing that they are changing their spending patterns and have begun to repay delinquent loans.
- They may be required to demonstrate over three months that they are able to save the difference between their current rent and their desired mortgage.
- They may be required to pay $50 monthly into a NACA fund that could be used to help them should they become delinquent on their loan.
- Those who qualify for a loan are asked (but not required) to participate in five NACA activities annually. These could range from helping NACA staff stuff envelopes for a mailing to joining a protest demonstration.

How long the process takes depends on the borrowers. NACA says potential borrowers who have few credit troubles can be quickly approved. Those with a history of financial difficulty will face more scrutiny. So the rigorous NACA program seems to refute Marks who likes to say that being unable to pay your bills on time should not prevent you from becoming a homeowner. It requires that potential borrowers show they can pay their bills on time before they can qualify for a NACA mortgage. If only some of the mortgage-lending banks were as diligent.

With so many hoops to jump through, how many people qualify for a NACA loan? In a 2001 San Antonio Express-News article, NACA regional director Pam Brooks acknowledged that only about one in four persons completed NACA's mortgage program after signing up for it. A National Mortgage News article from 1998 noted that while NACA had bank commitments of $1.3 billion over a four-year period the banks had made only $250 million for mortgages to NACA qualified borrowers.

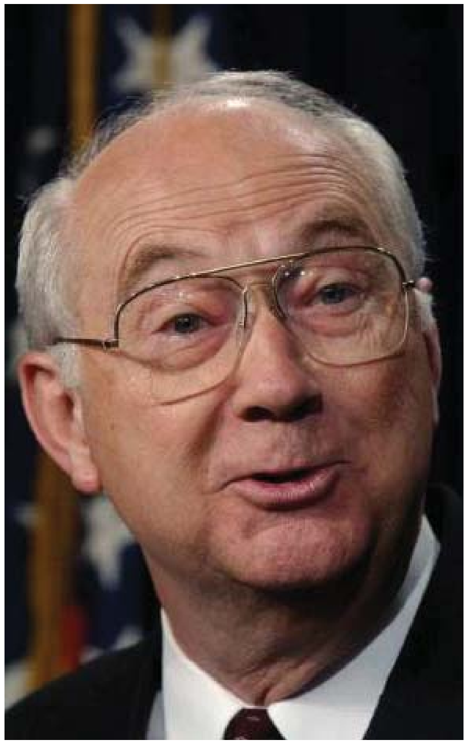
Apparently, NACA does train *previously* high-risk borrowers who are *ready* to become financially responsible. After all, what type of person would be willing to wait up to a year for a loan approval, accumulate several months of savings, repay delinquent loans, and participate in NACA's program of political activism? By weeding out irresponsible borrowers, NACA can claim that its "track record of helping people who have credit problems become homeowners or refinance out of a predatory loan debunks the myth that high rates and fees are necessary to compensate for their 'credit risk.'"

The irony is that NACA should be commended for its systematic and exacting efforts to help low-income people become homeowners. But Bruce Marks's responsibility toward the poor is more than matched by his irresponsible attacks on banks. He stalks and demonizes and harasses bank officials into making mortgage loans to the sorts of negligent low-income people he would throw out of his own program.

Should We Blame the Community Reinvestment Act?

NACA could not operate as it has without the Community Reinvestment Act. The CRA is a federal law, first enacted in 1977, that banned the real estate practice of "red-lining" communities, singling out geographical areas where a bank would make no loans. To comply with the CRA, banks had to show that they did not discriminate in making loans in poor and black neighborhoods.

At first it was rather easy to comply with the CRA. Most banks simply showed that they were making a good-faith effort to serve low-income and minority communities. But starting in 1995, the Clinton administration put the CRA on steroids. Regulators lost their discretion and banks were forced to statistically demonstrate that they had made their quota of loans in low-income neighborhoods. Under the new rules CRA now



NACA chafed at a proposal by then-Sen. Phil Gramm to require banks to disclose large payoffs to groups like NACA.

allowed community activist groups to file complaints against banks that could affect a bank's CRA rating. A bad CRA rating could affect whether the Federal Reserve would approve a bank's proposed merger with another bank, and this let groups like NACA legally extort huge sums from financial institutions, sometime by merely threatening to file a complaint. In response, financial institutions began allocating more and more funds to low-income, high-risk borrowers. They even defended the CRA. Bank of America claimed that its CRA commitments worked. "You can do good and make money," said a spokeswoman in 2001.

Did the CRA contribute to the mortgage meltdown? The Federal Reserve and the GSEs Fannie Mae and Freddie Mac should be held responsible for the easy money, relaxed lending standards and subprime lending policies that torched the country's financial system. But it is increasingly apparent that the CRA added fuel to the fire.

CRA defenders often cite Janet Yellen, president of the Federal Reserve Bank of San Francisco, who disparages the "tendency to conflate the current problems in the subprime market with CRA-motivated lending." According to Yellen, independent mortgage companies not covered by the CRA made high-priced (read: risky) loans at twice the rate of banks. Only "one in four sub-prime loans were made by the institutions fully governed by CRA," claimed Robert Gordon in The American Prospect magazine. Gordon is on the staff of the liberal Center for American Progress.

"Well, so what?" replies Loyola College economics professor Thomas DiLorenzo. "Even if Yellen is correct, that does not mean that CRA-regulated loans have not caused *tens of billion of dollars in defaults*." (DiLorenzo wrote Capital Research Center's 1996 monograph, *Frightening America's Elderly: How the Age Lobby Holds Seniors Captive*.)

"Moreover, Yellen and Gordon don't seem to understand what an 'independent mortgage company' is," DiLorenzo continues. "Many of these companies are like the one in which my next-door neighbor is employed: they are middlemen who arrange mortgage loans for borrowers — including 'subprime' borrowers — with banks, including CRA-regulated banks."

As for Bank of America and Citigroup, the two institutions that were NACA's biggest targets—until they made multi-billion dollar loan commitments to NACA and became its closest partners—their fate suggests that a CRA portfolio is no source of strength.

As of March 10, the stock price of Bank of America was $4.69. It had to take a $20 billion bailout from the federal government. Bank of America's recent woes relate primarily to its unwise acquisition of Merrill Lynch last September, but its CRA commitments have not helped it weather the storm.

In the first quarter of 2008, Bank of America noted that it had added $1 billion to its non-performing loans and leases, according to documents it filed with the U.S. Securities and Exchange Commission. The troubled loans were driven by "the weakening housing market as well as seasoning of portfolio growth and to a lesser extent the Community Reinvestment Act portfolio, which represented about eight percent of the residential mortgage portfolio at March 31, 2008." By the middle of the year, Bank of America reported to the SEC that its CRA portfolio "represented approximately 35 percent of the net increase in nonperforming loans at June 30, 2008."

Citigroup did not return phone calls seeking comment, and it is unknown how much CRA has harmed it. It has not mentioned the CRA in its SEC filings. Citigroup experienced four quarters of losses through November 2008. Citigroup did report that it had returned to profit in the first two months of 2009. Nevertheless, its share price has fallen to $1.78 (as of March 13), it has announced plans to cut another 50,000 jobs in 2009, and it received $25 billion in federal bailouts. It does not expect to be profitable until 2010 at the earliest.

Who? Me?

Clearly, there are plenty of people to blame for the financial crisis, but it's revealing that Bruce Marks continues to play fast-and-loose. NACA may use the Community Reinvestment Act to stymie the operations of banks that reject his demands. But as soon as big financial institutions comply with his rules, he doesn't seem to care whether they comply with the CRA.

For instance, in 1995 when First Union wanted to merge with First Fidelity, NACA one of several groups filing CRA protests with the Federal Reserve. Marks dubbed First Union, the "invisible bank in working people's neighborhood." In 1996, when the federal government decided to speed up its consideration of merger and acquisition applications by well-capitalized banks, Marks complained that the federal government was "closing the doors to any possible constructive input or analysis of a bank's lending to minorities or low-income people."

But if CRA were used to throw some sunshine on how banks interacted with nonprofit advocacy groups like NACA, then Marks took a very different attitude. In 1999 then-Sen. Phil Gramm (R-Texas) proposed to amend the CRA to require that a bank disclose any grants made in excess of $10,000 to a group expressing an opinion of the bank's CRA record. Would the law have required NACA to reveal its negotiations with the big banks? Marks became hostile at the prospect that NACA would fall under CRA regulation. "We're not disclosing anything," he told the American Banker. "If the regulators want to make an example of us, I welcome that opportunity."

Conclusion

The mortgage meltdown offers NACA new opportunities to promote its peculiar and successful formula: Help responsible borrowers get bank loans and then attack the banks until they also agree to make loans to irresponsible borrowers.

In April 2007, NACA announced a $1 billion program to rescue "subprime victims." Of course, to qualify, borrowers must go through a careful process similar to the one NACA employs for homebuyers. Borrowers must attend NACA workshops and counseling sessions and provide ample documentation on their financial situation. They also are invited to join NACA "community organizing" and strident activism.

NACA siphons off the subprime victims who are ready to be financially responsible—and it leaves the rest to badger the banks and appeal to the politicians. NACA can be counted on to bully banks that won't readjust their subprime mortgages. The homepage of NACA's website now features an "Accountability Campaign" aimed at bank CEOs. It targets bank executives that "have amassed huge fortunes on the backs of hardworking American families…[and live] in their many luxurious homes," and it singles out those that "have refused to restructure mortgages that would allow families to stay in their homes."

NACA then presents photos of Chase's Jamie Dimon and GMAC's Stephen Feinberg, who have refused to make agreements with NACA on reducing the cost of subprime loans. Will bank CEOs denounce advocacy group pressure tactics like NACA's and stand up to Marks and his minions?

Don't bank on it.

David Hogberg is a Washington, D.C.-based journalist. He is also a former executive director of Capital Research Center's Green-Watch project.

OT

BrieflyNoted

The radical community group **ACORN** has embarked on a new foreclosure relief strategy: breaking and entering. The group encourages its members to break into homes in order to forestall foreclosure. Its "Home Savers" program "links members of local communities with families who have taken the courageous step of refusing to cooperate with the foreclosure process," said ACORN chief organizer **Bertha Lewis**. ACORN is partnering with **Brave New Foundation** to produce propaganda videos to justify its criminal activities.

Progressive Media, a group that appeared to self-destruct last year, is alive and well, and organizing to impose socialism on America. It's an outgrowth of David Brock's **Media Matters for America** and liberal think tank **Center for American Progress** (CAP). Every work day at 8:45 in the morning officials of more than 20 labor, environmentalist, and other Democratic-aligned organizations call in for the group's private conference call. "[CAP President **John**] **Podesta**'s and my experience was in the White House during the Clinton years, and we didn't have a coordinated echo chamber on the outside backing us up," said **Jennifer Palmieri** of CAP's 501(c)(4) Action Fund. "There's a real interest on the progressive side for groups to want to coordinate with each other and leverage each other's work in a way I haven't ever seen before."

Newsweek magazine has decided to enter into a business deal with perpetually money-losing **Air America**. The liberal talk radio network, which filed for bankruptcy protection in 2006 and has taken in at least $8 million from **George Soros**'s **Democracy Alliance**, will carry the obscure radio program, "Newsweek On Air." The program currently airs on an AM radio station in New York City on Sundays at 5 a.m.

A group of liberal bloggers is joining with organized labor and **MoveOn.org** to create a political action committee to push the Democratic Party farther to the left, reports the New York Times international edition. The group, called **Accountability Now**, aims to be a kind of **Club for Growth** for the left, targeting Democratic candidates deemed insufficiently liberal. Organizers claim to have raised $500,000 for the PAC.

The so-called scientific consensus on anthropogenic global warming continues to collapse and **Al Gore** fears debating those who dare question his theories, the Wall Street Journal reports. At a recent forum he refused to take questions from reporters saying "it's kind of silly" to debate the science. Maybe Gore doesn't want to discuss the millions and millions of dollars he stands to make if the job-killing carbon emissions controls he wants are imposed. We examined his climate change profiteering in the August 2008 and August 2007 issues of *Foundation Watch*.

Meanwhile, as policymakers here in America ponder adopting a disastrous so-called cap-and-trade system that will do little but fatten the wallets of **Goldman Sachs** deal makers, carbon trading markets in the European Union are in freefall. With the world economy in recession, industrial production is way down and a glut of inexpensive carbon permits has developed in the EU. "Anyone who wants to pollute can afford to do so. The result is a system that does nothing at all for climate change," writes blogger **Ed Morrissey** of Hot Air.

People for the Ethical Treatment of Animals (**PETA**) president **Ingrid Newkirk** asked actor **George Clooney** if he would donate his sweat in order to create Clooney-flavored tofu. Clooney refused.