

Ohio should get a piece of JPMorgan Chase mortgage-fraud settlement: editorial



Taking it to the bank. Stakeholders statewide have prepared an unprecedented plan that seeks millions from the recent JPMorgan Chase mortgage-fraud settlement with the feds to help pay for demolition. (*Gus Chan, The Plain Dealer*)

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By [Editorial Board](#)

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Cleveland was shot down on [technicalities](#) in its effort to hold predatory lenders accountable for the toxic legacy of foreclosed, blighted and tax-delinquent properties in 2008 lawsuit.

But justice may be coming home at last.

A diverse coalition of community activists, housing advocates, land banks, cities, suburbs, counties and members of Congress has launched an unprecedented [offensive](#) to secure for Ohio a piece of the \$13 billion federal mortgage-fraud settlement with JPMorgan Chase.

The "[Ohio Plan](#)" asks for \$200 million out of the record [settlement](#) that JPMorgan negotiated with the U.S. Department of Justice in November.

The DOJ did not respond to a request for comment in time to meet deadline.

The proposed Ohio payback, spearheaded by land bank guru Jim Rokakis, director of the Thriving Communities Institute at the Western Reserve Land Conservancy, and Frank Ford, senior policy adviser at the Institute who chairs Cleveland's Vacant and Abandoned Property Action Committee, would be spent on demolition, renovation and foreclosure prevention.

Do you support the Ohio Plan that seeks \$200 million from JPMorgan Chase to help clean up vacant and blighted properties? Share your thoughts.

The Ohio Plan focuses on the \$4 billion set aside in the JPMorgan settlement to help homeowners cope with the detritus of the foreclosure fallout in neighborhoods across the country. According to a DOJ press release, "that relief will take various forms, including principal forgiveness, loan modification, targeted originations and efforts to reduce blight. An independent monitor will be appointed to determine whether JPMorgan is satisfying its obligations."

Half of that money has been earmarked for mortgage modification, according to the settlement agreement. The other \$2 billion will be spent on additional relief efforts.

That should include relief dollars to Cleveland and other hard-hit Ohio cities, Rokakis and Ford argue.

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In Cuyahoga County alone, 522 properties that JPMorgan Chase foreclosed on since 2005 still owe more than \$3.1 million in taxes, according to Ford, who used data provided by NEO CANDO at Case Western Reserve University.

The coalition backing the Ohio Plan includes cities such as Shaker Heights and Dayton, land banks in Erie and Mahoning counties, and advocacy groups such as the Coalition on Housing and Homelessness in Ohio.

Democratic U.S. Sen. Sherrod Brown and his Republican colleague, Sen. Rob Portman, sent a joint letter to Stephanie Mudick, executive vice president of JPMorgan Chase, on Wednesday in support of the Ohio Plan. U.S. Rep. Marcia Fudge, a Warrensville Heights Democrat, wrote to CEO Jamie Dimon on Jan. 15 that she hoped "JPMorgan grants the state's consumers an appropriate and fair allocation of the remaining relief funds."

JPMorgan is noncommittal. "We've helped 15,000 Ohio families stay in their homes since 2009 and we will continue to help Ohio's families and communities," a spokeswoman said in an email to the editorial board Thursday.

"Two hundred million dollars is a small down payment on what is owed Ohio," U.S. Rep. Marcy Kaptur, a Toledo Democrat, said for this editorial.

She is right.

Rokakis asked Republican Gov. John Kasich, who is running for re-election, to call Dimon, a friend, and push the Ohio Plan. Rob Nichols, a spokesman for Kasich, had no comment for this editorial.

Kasich needs to step up and request that JPMorgan earmark some of its settlement money to Ohio.

The Ohio Plan may be a long shot, but it's a shot.