

# Renters bear crunch's brunt

By Laura Crimaldi | Sunday, November 23, 2008 | <http://www.bostonherald.com>

Every Thursday morning, the grim human toll of the nation's housing crisis descends on the fifth floor of Boston's gleaming Edward W. Brooke Courthouse.

That's where tenants and landlords, sometimes hundreds at a time, shuffle in hoping to work out disputes through mediation or a trial at the Boston Housing Court.

It's also where a growing number of aggrieved tenants are showing up with eviction notices in hand because a bank foreclosed on the landlord they paid rent to for months or years at a time.

"We don't have heat. We don't have hot water and we don't have cooking gas," said Kirsten Sullivan, 34, who faces eviction from a foreclosed two-family home she rents in Allston. "I'm disabled. I don't know how I'm going to find housing."

A spokesman for Barclays Capital Real Estate Inc., which brought the matter to court, could not provide any information about the home, on Bayard Street.

Lawyers in the "Attorney for the Day" program run by the Boston Bar Association said they encounter 15 to 20 tenants a week at Housing Court who have eviction notices from the bank that foreclosed on their landlord. The cases appeared to pick up in August once the state's 90-day foreclosure moratorium expired, said Zoe K. Cronin, a housing attorney at Greater Boston Legal Services.

Housing attorneys described deceptive tactics by foreclosing lenders who dispatch real-estate agents to offer cash for keys to move tenants out quickly.

One lawyer said lenders prefer to file eviction cases in district court because low-income tenants are less likely to encounter pro bono attorneys who will explain their rights. In general, they described banks as poor landlords who are inept at carrying out repairs and maintaining utilities.

"It's hurting the neighborhoods," said attorney Maureen E. McDonagh of the WilmerHale Legal Services Center at Harvard Law School. Banks "made so much money on Boston and now they're emptying all these buildings and leaving them abandoned. That's being a bad corporate citizen."

Under state law, a foreclosure is not legal grounds for eviction.

"They have the right to stay because their tenancy survives," said WilmerHale attorney Rafael Mares. "They have this mantra that they have to sell every property vacant. From a local level, this doesn't make any sense. Who wants to move into a triple-decker and live on all three floors?"

Renter Edward B. Evans Jr., 48, and his landlords, Ellen and Candace Coleman, said they were not notified of eviction proceedings until a lawyer from Harvard Legal Aid Bureau stopped by their Ruthven Street home last Sunday.

Deutsche Bank National Trust Company foreclosed over the summer, land records show. The mother and daughter purchased the two-family home in 2006 after being approved for a loan by mortgage broker Zeus Funding, which mistated on a loan application that they had \$117,708 in savings. Attorney General Martha Coakley sued Zeus and real estate firm Champagne & Associates in 2006, accusing them of running a loan scam.

"They sent me a letter for cash for keys. That was the last thing I heard from them," said Evans. "I am not ready to move right now."

A Deutsche spokesman said in an e-mail that the bank represents entities that invested in mortgage-backed securities, but has no financial interest in the loan and plays no role in deciding to foreclose. He directed questions about the foreclosure and eviction to Specialized Loan Servicing, LLC in Colorado, the loan servicer.

A spokeswoman for that company, Ali Haralson, said it has no record of that property. Evans and the Colemans had their eviction cases continued until next month. Such rigamarole has become commonplace in the mortgage meltdown.

"This home ownership, you would think it's a dream," said Ellen Coleman. "It's a nightmare."

Kevin M. Cuff, executive director of the Massachusetts Mortgage Bankers Association, said that in the last 30 to 60 days lenders have started to pull back on evictions as their real estate holdings fatten with foreclosures that won't sell.

"The FDIC, IndyMac, Bank of America, Countrywide, J.P. Morgan Chase, Citi, they all have new strategies. They are getting their act in gear to say it's a better-off business decision to figure out how to mitigate loss than it is to simply foreclose," said Cuff.

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