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No bailout for Romilda

By Kevin Cullen, Globe Columnist | September 25, 2008

Yesterday, on a glorious, crisp autumn afternoon, Romilda Silva was holding a mop inside a sprawling colonial in Weston, the kind of house she will probably never live in, but which she cleans to make a living.

She used to work 40 hours a week. Now she works 80 because when she refinanced her adjustable-rate mortgage a couple of years ago, she ended up with a subprime rate she thought was fixed for the life of the loan. It wasn't. In less than two years, the monthly payment for her house in Framingham has jumped from about $3,000 to $4,000.

Now, you might say that's her fault. She should have read the fine print. She should have had a lawyer.

And maybe it was her fault. Maybe she should have been a little more sophisticated, but she wasn't, and she isn't.

But what about the guy who steered her into a mortgage she couldn't afford, and the guys who snapped up the mortgage and made money off it? When she asked the broker if she needed a lawyer, she says, he told her that all a lawyer would do is read the papers and charge her thousands of dollars.

The broker, Edgar Rehnert, disputes that. He says Silva knew what she was getting into.

The mortgage Silva got had closing costs and fees tacked on in an amount so obscene that "gouging" does not do it justice. Rehnert said he can't remember the exact amount but recalls it as fair. The company he worked for sold Silva's mortgage, and then it was sold again. All the guys in suits made a bundle and Silva was left holding the bag.

Romilda Silva is 46 years old. She has lived in this country nearly as long as she lived in her native Brazil. Her English isn't great, which is one of the reasons she was so easily led into a financial cul de sac.

While all those millionaires in Washington decide how to bail out all the millionaires on Wall Street who got us into this mess, working people like Romilda Silva have to bail themselves out. For working people, bailing out means working more. For Silva, it means that instead of spending time with her 3-year-old grandson and 2-year-old granddaughter she is cleaning more big, beautiful houses.

"I don't think it's right," she told me and my colleague, Tanya Perez-Brennan, who translated. "You work as hard as anybody else, but you don't get the same opportunities to get out of your financial difficulties."

We think nothing of bailing out people whose rapaciousness is the single biggest reason we are teetering on financial chaos, the single biggest reason that all the "America is the greatest country in the world" chest-thumping during this campaign season is such empty, embarrassing rhetoric. Let someone like Romilda Silva ask for some relief, like being able to restructure her loan, and the first thing some people say is: She made her bed, let her lie in it.

When it comes to assigning blame, we are quicker to damn those who made mistakes through ignorance than the millionaires who made this mess through greed.

Romilda Silva is active in her church, St. Tarcisius in Framingham, and her priests, Rev. Joe Pranzo and Rev. Heitor Castoldi, know people at a bank in Framingham, so they took her down to the bank. Mike Brown, one of those community organizers who Sarah Palin says has no actual responsibilities, decided one of his responsibilities was to help Romilda Silva, so he accompanied her and the two priests to the bank.

Everybody at the bank couldn't have been nicer. They wanted to help. They accepted Father Joe's testimonial, that Silva was a good person and hard worker. But, as the bankers explained, the value of her home had sunk too close to the amount she was trying to borrow. Federal regulations prohibited the bank from restructuring her mortgage.

Is this a great country, or what? We regulate everything but greed.

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