

Prevent Predatory Home Buying

A toolkit for Germantown Community Organizers

*Prepared by the Housing Education and Advocacy Committee of
Germantown Residents for Economic Alternatives Together*

Predatory Home Buying is a practice that takes advantage of vulnerable people-- for example, seniors, people with delinquent taxes or in need of home repairs. Wholesale buyers may aggressively work to get a vulnerable resident to sell their home, quickly, and at a low price. In some cases the seller doesn't fully realize what they have agreed to. Families and the neighborhood can lose wealth and stability in the process. There are ways to stay in your home, OR to get what your home is worth.

This toolkit is a resource for Germantown community members to connect with their neighbors about the predatory home buying practices taking place in Germantown. Thank you for being part of this project.

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About Germantown Residents for Economic Alternatives Together:

We are using our collective resources to grow food, share tools, support each other in times of need, organize around issues of housing justice, and strengthen our holistic health and well-being. Together we are co-creating systems rooted in social justice to shape a community that thrives on collective work and responsibility.

www.greatgtown.org

www.facebook.com/GREATgtown

Reach someone from our Housing Committee:

GtownHousingCommittee@gmail.com 267-334-8906

The big picture

The big picture is preventing the displacement of our neighbors.

Predatory home buying is just one of many ways that people are displaced from their homes.

People are the most precious part of our neighborhood. The connections that we forge with each other are vital.

POWER = organized money or organized PEOPLE

We are creating concrete action steps to access our power, to keep our neighbors here, to help people stay who don't want to leave.

Organizing is a long game. This campaign is continual... This is just Step One.

The Call to Action

We want people in Germantown to be informed about predatory home buying, their legal rights, and all available resources so they can make the best decision for themselves.

So our #1 strategy on this issue is education and outreach. Help us get the word out!

- Share what you've learned with your friends, neighbors, church members, businesses, and so on.
- Let folks know what predatory home buying is and what the risks are.
- Let folks know that there are resources available, such as the organizations right here in Germantown, or Philadelphia assistance programs.
- **Use our materials to help you communicate the message.**

We will continue to build on our strategy, so please keep in touch. We are identifying other alternatives to give people more support and more options when they are in need of help to keep their homes.

Upcoming action meetings for organizers

Join the upcoming meetings for GREAT's Housing Education and Advocacy Committee so we can support each other in our outreach efforts- Let's share ideas to build this campaign together, what works, what doesn't, and how can we continue to create solutions to this problem?

For example... Could we create a private, community network for safe and mission-oriented home buying and selling? Make art out of "We Buy Houses" signs?

And how do we piggyback on the legislation that is working its way through the City of Philadelphia to make it more difficult for these predatory home buyers to continue their practices? There will be ways we can further protect Germantown residents once the law supports it.

Monday, June 14th 6-7pm (virtual)

Monday, July 12th 6-7:30 pm (virtual)

Zoom links will be emailed to all participants of the May 26th Call to Action Event. If you were not in attendance but want to receive this communication, please send a message to:

GtownHousingCommittee@gmail.com

Ways to get the word out to your community

- **Distribute flyers door-to-door**
 - Knock on doors or just drop them off
- **Give flyers out at your community event, flea market, church service, food giveaway, local business, etc.**
 - Laundromats, community fridge, grocery store
- **Host your own community event** where you can talk to your neighbors -- A cookout for example, or an informational session with Community Legal Services
 - We can provide you with copies of informational materials and help connect you to speakers
 - Let us know when and where you are hosting so we can help spread the word
- **Start a phone tree of neighbors** to call each other and be informed
- **Post the flyers on your social media or send via text / email to people you know**
- **Send this info in your community newsletter**

OUR RESOURCES for The Campaign

1. Volunteer Toolkit

2. Brochure for Community Distribution

3. CLS Postcard

*All materials available
print & electronically Weds.
June 2*



You can pick up the printed materials noted above at Tip Tap, a locally-owned printshop at 6353 Germantown Ave. Hours are 11am-6pm Tuesday-Saturday.

These materials are also available electronically on our website: <https://www.greattown.org/predatory-homebuying>. You can find the images below online as well as links to informational videos:

GERMANTOWN MUTUAL AID FUND

Created to reduce financial hardships brought on by COVID-19, to stabilize our neighborhood, and prevent displacement. In mutual aid, we're all in it together-- More than 400 community members contributed money so far.

Between May - December 2020, the Fund has gifted \$59,000 to 66 households in Germantown.

Request help with basic expenses such as rent, property taxes, utilities, medical care, and emergency home repairs.

Any Germantown resident may request a financial gift at any time (no deadline) at greattown.org/mutual-aid.

Or make a donation if you're able.

germantownmutualaidfund@gmail.com (267) 551-0662

GMAF is organized through Germantown Residents for Economic Alternatives Together, a grassroots neighborhood group with 501(c)(3) tax status.

Love thy neighbor :: Every donation is a gift :: Culture of care :: Community solidarity

PREDATORY HOME-BUYING

Hi! I'm a local organizer here to talk with you about predatory home-buying!

Who are predatory buyers?

They are real estate investors who go to neighborhoods where home values are going up, buy houses for less than they're worth, and then sell them later for their real value or more.

Isn't that just house flipping?

It's more about the tactics and targets of these investors. They target people who are going through financial hardship and pressure them into selling. These aren't empty properties, these are families being harassed to sell their home for a price that won't buy them another house nearby.

That sounds really bad...

Right? Some will pressure people to sign unclear papers, papers not in the homeowner's native language, or not let them read the papers that end up being agreements to sell before they sign.

What if I don't want to sell my house but I don't feel like I have a choice?

You're not alone! Many people sell their home because of debt, liens, taxes, tangled titles, or expensive home repairs. Community Legal Services can help find options to make it possible for you to stay in your home. You can talk to someone for free by calling the SAVE YOUR HOME PHILLY HOTLINE at 215-534-4663! Even if you signed an agreement, there might be a chance to get your home back.

What if I DO want to sell my home?

You absolutely should sell if that is what you want BUT we want to make sure you get a fair price! You stayed in your community and contributed to it in a time when no one was developing here, we encourage you to find the best price for your home! Make sure you talk with a licensed real estate agent before you sell. They'll make sure that you get the MOST money for your house. For a general price range, check out etas.phila.gov, zillow.com, or realtor.com or text your property address (e.g., "1234 Market Street") to get more information about your home's value: 267-214-0504.

Is there any way to fight back?

YES! Working together, we can put these predatory home buyers on notice that our neighborhood is not for sale! And if they keep bothering us, we're going to fight back. We might even be able to sue them and make them pay up to \$2,000 every time they harass us. If we work together, we can put a big dent in their cash flow and stop them!

Talking points for your outreach

(What is the message we want to share?)

What is predatory home buying and what's the harm?

(see slides and images from CLS)

If you are struggling to keep your home, there's help available, you have options:

- If you DO want to sell it, first check and see what your home is worth
 - See CLS "Get Your Intel" flyer
 - Resources are available for direct financial support: Germantown Mutual Aid Fund (for Germantown residents only)
 - Organizations that can help you navigate mortgage, tax, home repair issues. These Germantown organizations provide housing counseling:
 1. Germantown United CDC
 2. Face to Face
 3. Center in the Park
- ** REFER TO THE PAMPHLET FOR DETAILS

Learn more about this issue:

- Watch the Predatory Home Buying presentation from GREAT's Oct. 2020 Community connectors meeting or the May 26th Call to Action (these are on our website and Facebook page)

If you want to get involved to help with this campaign and Call to Action:

- Join an Organizers meeting / a meeting of the Housing Education and Advocacy Committee

Tips for outreach

There are different approaches. We want to get this message out in Germantown so find the way that works for you.

If you're someone who likes to talk to people, you might choose a more targeted approach. *Sometimes... it's better to be "an inch wide and a mile deep than a mile wide and an inch deep."*

This means, you might be more effective at making a difference for just a few people if you have an in-depth conversation with them about predatory home buying where you really connect with each other about the issue, you share stories together.

Alternately, **if you have the time to go around with flyers but aren't as comfortable with the personal conversation**, then you might choose to "cast a wide net" and get as many flyers out as you can in hopes that at least a few will hit home for someone.

Build your team! Encourage folks in your community who have experienced this issue first-hand to share their story

Consider what makes you feel safe. You might want to go out with two or more people when you do outreach. Only share your personal information when you feel comfortable doing so.

General predatory home buying information

Residential Property Wholesalers

Any person or entity who is in the business of **purchasing or soliciting for purchase** Residential Properties, not to use as their residence.

Other names for them: predatory homebuyers, “we buy houses” people.

Includes people who try to convince you to sell your house, even if they are not the ultimate purchaser. Often, RPW is just a middle-person and operates on a “selling the sale” model.



RPWs: How do they profit?

RPW often isn't the ultimate buyer of the home. They track down “good deals” and pass those sales contracts on to investors.

Example: House's market value in current state is 100K. RPW offers to buy for 70K. RPW sells contract to ultimate purchaser for 85K.

Homeowner loses 30K in equity, and RPW walks away with 15K in profit for their efforts. Homeowner now can't pass on wealth to family, and might not be able to stay in their neighborhood. The RPW and buyer pocket the homeowner's equity and that money leaves the community.



RPWs: Targets

- Tangled Titles
- Homes with tax delinquencies
- Homes that appear in need of repair
- Homes in neighborhoods where prices are projected to jump
- Homes in/at risk of mortgage foreclosure



RPWs: Tactics

RPWs engage in several tactics designed to convince owners to sell fast and cheap.

- Telling owner that house will go to foreclosure
- Implying that they'll call L&I as a "mandatory reporter"
- Conducting an "inspection" and telling owner repairs won't be affordable
- Showing confusing contracts (sometimes on phone screen) to seniors/LEP individuals, pressuring them to sign, telling them it isn't an agreement of sale
- May offer to help with probate if the property has a tangled title.



Why is this a problem?

- The signs are annoying
- Vulnerable homeowners unwittingly lose their biggest asset with the stroke of a pen
- Very few “consumer protection” laws apply because a seller isn’t a consumer
 - Or are they...?
- Rent in the same neighborhood is high
- Destroys intergenerational wealth



PREDATORY HOME-BUYING



Hi!

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Who are predatory buyers?

They are **real estate investors** who go to neighborhoods where home values are **going up**, buy houses for **way less** than they're worth, and then **sell them later** for their real value or more.



Chances are you've already been reached out to in the form of a **call, text, mailing, or a WE BUY HOUSES ad.**

WE BUY HOUSES
xxx-xxx-xxxx



Isn't that just house flipping?

It's more about the **tactics and targets** of these investors. They target people who are going through financial hardship and **pressure them into selling**. These aren't empty properties, these are families being harassed to sell their home for a price that **won't buy them another house nearby**.



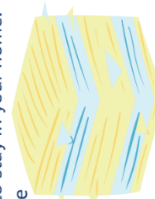
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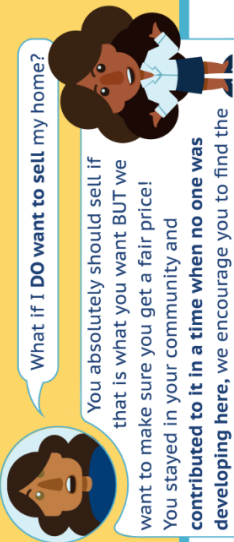
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For more information, please visit: clsphila.org/home-scams