

NO TO THE EMERGENCY MANAGER

MAKE THE BANKS PAY, NOT THE WORKERS AND COMMUNITY

The same banks who caused the economic crisis and destroyed the City of Detroit's tax base with their fraudulent and racist predatory loans resulting in approximately 150,000 foreclosures in the past 5 years, now get first lien on city tax dollars for debt service payments.

Public Act 4, the Emergency Manager Act, guarantees these banks "payment in full of the scheduled debt service requirements on all bonds, notes and municipal securities," even if it means selling city assets such as Belle Isle and the Water Department, laying off more workers, cutting more city services, or attacking the pension system for retirees. The unelected Emergency Manager is *not required* to improve city services or reduce the debt load. In fact, the recent state takeovers of the Detroit Public Schools resulted in decreased academic performance and significant increases in the debt.

The recent Ernst & Young report on the City's finances notes that for the current fiscal year the City will pay \$226.3 million dollars to the banks for debt service out of the general fund, and an additional \$399.3 million dollars in debt service from the water, transportation and parking departments. Casino tax dollars already go to a trustee to be paid directly to the banks. **And according to Fitch Rating Services, if an Emergency Manager is appointed for Detroit, the banks can declare a default on "swap payments", meaning that the City of Detroit may immediately have to pay the banks an additional \$400 million on top of the \$600 million already being paid.**

In contrast to the hundreds of millions of dollars in debt service payments the City already pays to the banks, most of which is in the form of interest (profits), Mayor Bing's proposal to lay off 1000 city workers, which would devastate city services that have already been cut to the bone, would only save the City from \$14 to \$19 million. The mayor could lay off every single worker and not solve the debt crisis.

Why should the same banks who destroyed the tax base of our city, who drove over 200,000 people out of the city through their criminal, fraudulent foreclosures and evictions, who were bailed out by taxpayers and the Federal Reserve with TRILLIONS of our dollars, get paid first? These banks owe the city billions in reparations for the destruction they have caused. In Massachusetts, the attorney general is suing all the major banks to recoup the billions they stole from the people through their illegal foreclosures. Instead of Governor Snyder imposing an emergency manager over the city of Detroit to guarantee the banks their debt service payments, Governor Snyder and Attorney General Schuette, as well as the city's legal department, should go after the banks to repay the billions stolen from the people in Michigan, the hardest hit state in the country.

While we go after the banks to recover the billions they have stolen from the people of Detroit and all of Michigan, Mayor Bing and City Council should declare a moratorium or halt on all debt service payments to the banks. A suspension in debt service payments would immediately resolve the City's fiscal crisis and allow for the restoration of city services and the recall of laid-off city workers.

In the 1930's during the depression, Mayor Frank Murphy of Detroit first formulated the demand for a Moratorium on Debt Service payments when he led the National Conference of Mayors. Let's show the way again by saying NO to the dictator Emergency Manager and to the banksters the law is intended to serve.

We can fight back!

No lay-offs. No cuts in city services. Moratorium on debt service to the banks.

Go after the banksters to recover the funds they stole from the people.

Contact: Moratorium Now! Coalition to Stop Foreclosures, Evictions & Utility Shut-offs
Call 313- 671-3715 www.moratorium-mi.org

MEETINGS EVERY MONDAY, 7:00 PM
5920 Second Avenue (north of Wayne State), Detroit, MI 48202