

DEMONSTRATE WHEN EMERGENCY MANAGER ORR MEETS THE PUBLIC



***DEBT SERVICE to
the BANKS that
DESTROYED
DETROIT!***

**THURSDAY, JUNE 6, 5:30 p.m., Greater Grace Temple, 23500 W. 7 Mile
MONDAY, JUNE 10, 5:30 p.m., ML King High School, 3200 E. Lafayette**

- ▶ ***Demand a Moratorium (halt) on payment of billions of dollars in debt service “owed” by the City to the banks!***
- ▶ ***Fight to restore services, end pay cuts to City workers, protect pensions, stop union busting, and keep City assets!***

Detroit Emergency Manager Kevyn Orr’s May 12 Financial and Operating Plan admits that it is the massive debt service imposed on Detroit by the banks and financial institutions which is the source of the financial crisis strangling the city.

Orr reported that the city had negative cash flow of \$115.5 million in fiscal year 2012. His report reflects that **the entire deficit is accounted for by debt service payments owed to the banks.**

Orr’s report states that **in 2013 the City is paying \$139.9 million in debt interest to the banks.** The largest percentage of that interest is in pension obligation certificates, including swaps totaling \$78.9 million, where the banks locked the City into high interest rate payments at the precise moment when the actual interest rate paid on the bonds was sinking to near zero. The City is paying an additional \$105.8 million in debt principal in 2013. **According to Orr’s report, debt service, principal plus interest, amounts to 19.3% of the City’s budget.**

As Emergency Manager, Orr is mandated under the law to guarantee the payment of debt service to the banks. Any talk of “renegotiating the debt service” by Orr is a sham to cover up his real job, to gut City services and sell off City assets on the banks’ behalf. In contrast to mandating payment of debt service, Orr is empowered under the law to break every contract that benefits Detroit’s workers and residents. He is threatening to sell off DIA art works to pay the banks!

Orr is looking at bankruptcy as his ultimate move. Why? Because only in bankruptcy can he go after the City workers’ pensions, which are the real target in “financial reform” which only benefits the banks.

The same banks who claim first lien on the City’s tax dollars are responsible for the economic destruction of the city, through their foreclosure of approximately 100,000 homes between 2005 and 2010 as a result of their racist, predatory lending policies. The banks **owe us** billions of dollars for the destruction they have caused! They must be made to pay for the reconstruction of our communities!!

The City of Detroit should immediately place a Moratorium (halt) on all debt service payments to the banks. We need to restore and expand City services, not see them gutted. City workers have taken too many concessions already and pensions must be guaranteed. ***We can win these demands by mobilizing to fight back!***

Moratorium Now! Coalition to Stop Foreclosures, Evictions & Utility Shutoffs

- 313-680-5508 ● moratorium-mi.org ● Visit detroitdebttmoratorium.org to view articles and documents on how the banks destroyed Detroit. ● Call today to have a speaker give a presentation to your church, union or community organization on “How the Banks Robbed Detroit”