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Greater Cleveland is the
foreclosure capital of the country.
More than 13,000 Cuyahoga County homes
were foreclosed on last year, including
2401 Garden Avenue,
childhood home of county treasurer
Jim Rokakis — who's crusading to slam the door
on reckless subprime lenders, scheming flippers
and anyone else preying on
the American Dream.



The white house on Garden Avenue towered above the Rokakis kids, bursting up from its little lot. Their footsteps echoed across its dark floorboards. Light refracted through small leaded-glass windows. Sturdy chocolate-brown wood divided the living and dining room, where cabinets were built into the wall.

"It was a palace," remembers Jimmy Rokakis, who was 4 years old then. His sister Efty, who was 9, couldn't believe she and her six sisters and brothers had two floors, a basement and an attic. It was 1959, and the Rokakis had just left a cramped apartment in public housing. This was their first house: 2401 Garden Ave., just north of Denison Avenue, off West 25th Street.

The older girls, Cynthia and Mary, claimed one bedroom, and the back room somehow took in the other five kids: Efty, Sophia, Jimmy and the 3-year-old twins, Alex and Andy. That seemed like lots of space. In their old apartment, the boys had slept in their parents' bedroom.

The Rokakis kids were amazed just to walk

to the end of the block. Back in Tremont, they'd only had a candy store and a little grocery nearby. But their new house stood around the block from Denison and West 25th, the main intersection of Cleveland's Brooklyn Centre neighborhood. They could walk to a butcher, a shoe store, a barber, a grocery store, a five-and-dime.

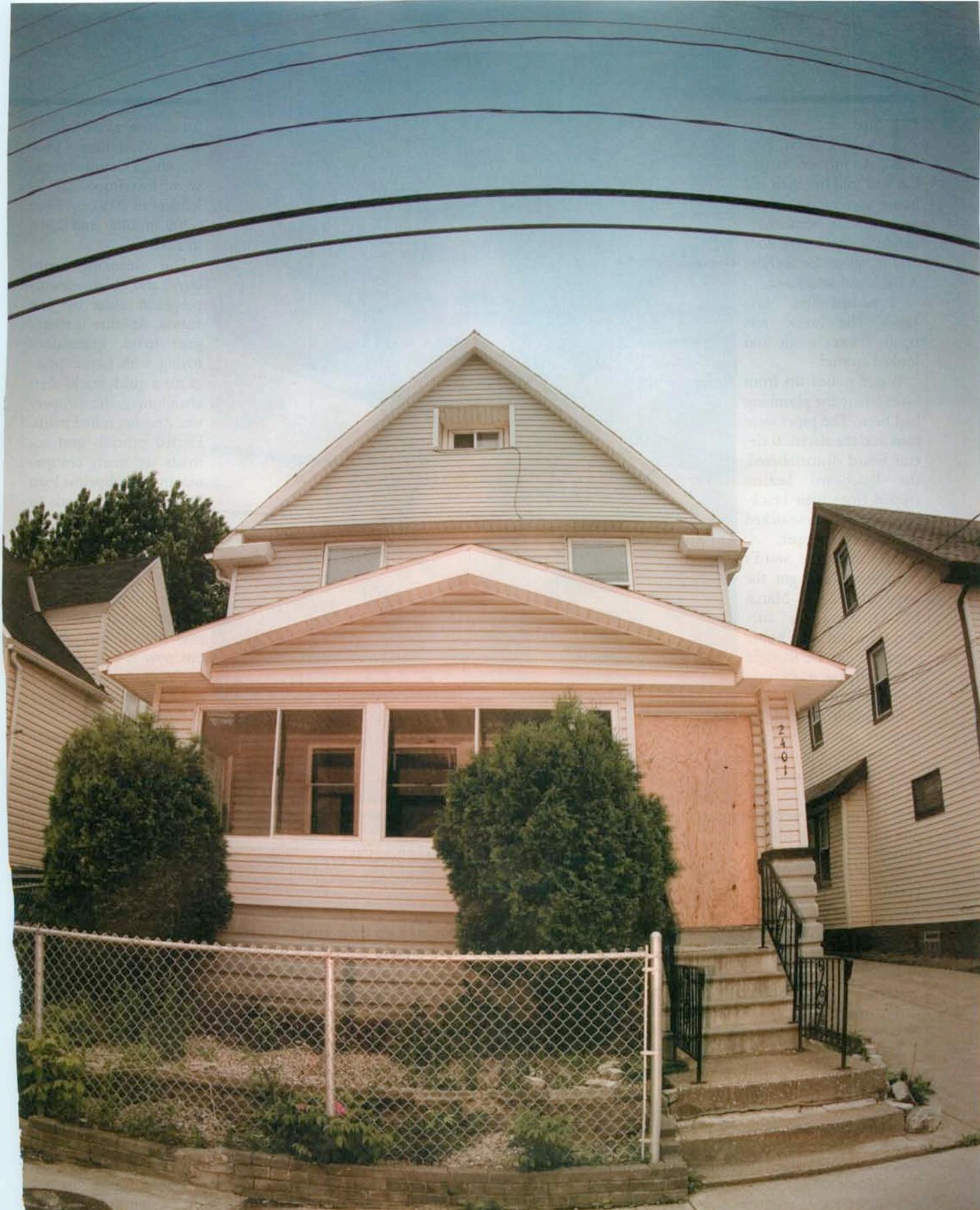
Manousos Rokakis, who'd come to Cleveland from the Greek island of Crete, had spent eight years working at the National Screw factory to save enough money to buy 2401 Garden Ave. He didn't have a car, so he'd catch rides home with friends, then invite them in. His wife, Eleni, would scramble to serve feta cheese, ouzo or coffee. "My poor mother!" says Mary. "She had her hands full entertaining all the time."

Manousos and Eleni knew almost no English. The kids would talk to their parents in Greek, and to each other in English, driving their mother crazy. "Oh, my children, I don't know what you're saying! If I only knew!" Efty remembers her saying.

"It was a house filled with love," says Jimmy.

by *Erick Trickey*

PHOTOGRAPH BY JAMIE JANOS



“When there was blood on Main Street, in cities like Cleveland, nobody gave a damn,” county treasurer Jim Rokakis says. “But when blood began to flow on Wall Street, everybody cares.”

This winter, Jim got a call from Efty. A former neighbor had told her their old house was vacant. Water was running somewhere inside. A sign on the door said it was up for auction. A bank had foreclosed.

"I rushed over," says Jim. "The house was open. I went inside and looked around."

Water welled up from holes where the plumbing had been. The pipes were torn out, the electrical circuit board dismembered, the baseboard heaters ripped from their brackets. Thieves had ransacked the house for copper.

Jim called the ward's councilman and got the water turned off. March 15, 11 a.m., the auction sign said. The house tugged at Jim. He thought about buying it, "purely for sentimental reasons."

But when he and his nephew headed to Garden Avenue the day of the auction, "I could not go into the house," he says. His nephew went inside and called on his cell phone.

"There's about 20 people in your old living room," he reported.

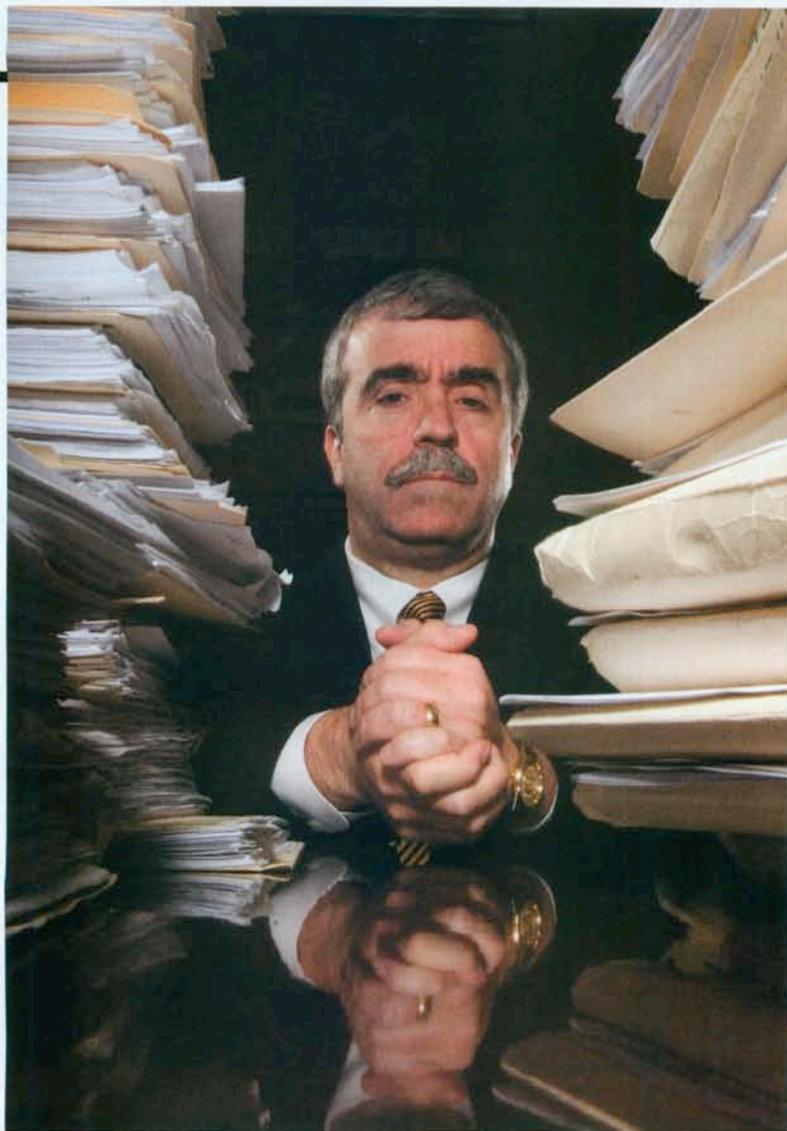
Jim kept driving. The thought of bidding, of competing with strangers to put a price tag on his memories, "didn't sit right with me."

It stung him to see his childhood home vacant and vandalized. It hurt more because he knew that thousands of houses across Greater Cleveland have suffered the same fate.

Today, Jim Rokakis is Cuyahoga County's treasurer. He has spent the last few years making Cleveland's foreclosure crisis a personal crusade. Six days after he went to bid on his old house but drove on, he testified in Washington, D.C., on Capitol Hill.

"For at least the past seven years, urban leaders in cities like Cleveland, Dayton, [and] Toledo ... have been decrying the explosion in foreclosure filings in their communities," he told U.S. Rep. Dennis Kucinich's congressional subcommittee on domestic policy. "They have complained of abandonment, of property flipping and of a lending industry that we thought was behaving so irresponsibly, we were convinced that someday a segment of that industry — the subprime sector — would implode."

The forces that sank 2401 Garden Ave. have flooded Greater Cleveland, the foreclosure capital of the nation. Cuyahoga County has the highest foreclosure rate in Ohio, which has the highest



As the county's tax collector, Jim Rokakis is named as a party on each of the 13,000 mortgage foreclosures filed in Cuyahoga County last year. He started the county's foreclosure prevention program in March 2006 to try to stem the rising tide.

foreclosure rate of the 50 states. More than 13,600 Cuyahoga County homes were foreclosed on by lenders in 2006, up from 6,300 in 2000 and 2,900 in 1995.

Our shrinking economy and high unemployment make up one reason. Another is mortgage fraud, speculators toying with home prices for a quick buck, then abandoning the properties. Another is bad loans. Elected officials and activists say many companies in the subprime loan industry, which lends to people with mediocre credit, have spent years lending people money they can't pay back.

The subprime industry grew rapidly from the mid-1990s to this year — but now it's in turmoil, as Wall Street recoils from the financial effects of reckless lending.

Cleveland is emerging as the worst victim. Its subprime-loan delinquency rate is the highest in the country.

"Welcome to Foreclosure Central," Rokakis says as I walk into his office. Flyers for his year-old foreclosure preven-

tion program greet visitors. "Don't borrow trouble," one reads. The program is his way of trying to stanch the flood of lost homes passing through his offices. As the county's tax collector, he's named as a party on each of those 13,000 mortgage foreclosures, since his office has a stake. And if it's property taxes that homeowners stop paying, instead of the mortgage, then he has the grim job of filing for a tax foreclosure.

Here, at Lakeside and Ontario avenues, 3 1/2 miles north of Garden Avenue, the county administration building and courthouses are awash in paper — foreclosure complaints and what comes after them: tax documents, sheriff's sales, deed transfers. They're the distillation of Greater Cleveland's economic struggle, its neighborhoods aching from neglect and poverty, its eager working class signing confusing loan papers, its homeowners knocked into bankruptcy by sudden illness or injury or divorce, its brazen property flippers and careless speculators, its wave after wave of mortgage brokers and lenders offering too-good-to-be-true loans with time bombs written into them.

If the paper weren't paper, but water, if bad loans and job loss were hurricanes and tsunamis, then you could see the forec-

sure crisis rise and leave marks in the county building and courthouses, like flood lines.

But if someone wanted to ask what happened, they wouldn't just go to the courthouses. They'd go to the low-lying ground, like Garden Avenue.

In the 1910s, Garden Avenue bore the name Grand Army Court. A social hall owned by the Grand Army of the Republic, the Civil War veterans organization, capped the street.

"On Memorial Day, parades would come past the houses," remembers Elizabeth Pumphrey, who was born in the house at 2401 Grand Army Court in 1918. The parades headed to the cemetery, last resting place of a Civil War artillery corporal who fought in three battles in West Virginia. Two elderly Civil War veterans still lived on the street, Elizabeth remembers, and the bands saluted when they marched past them.

The house, a colonial with a gabled roof over a small attic, was built around 1913 by John Fieg, who owned a plumbing company on West 25th Street (now Pearl Road). Its two floors and basement each measured 676 square feet. Fieg sold the house in April 1914 to Elizabeth's parents, Charles Walker, a B&O railroad conductor, and his wife, Anna. They had eight kids.

Elizabeth's grandmother slept in the back bedroom, which led to an airing porch that looked out over a vacant lot stretching to Denison Avenue. Another bedroom held all four girls. When the family got bigger, Charles hired a carpenter, and the attic got permanent walls, closets, carpeting, an artificial fireplace and the nickname "the dormitory," since the four boys moved up there.

The house's only bathroom had a gas jet near the sink. Anna Walker would turn it on, light the flame and burn the split ends off her long hair. The house got its first phone around 1928, a party line shared with two or three other families. Two rings meant the call was for the Walkers.

Charles Walker piloted freight trains through the Flats and passenger trains from Cleveland to Akron. "He was always paid in cash," Elizabeth remembers. "He'd have the money in a little envelope, throw it on the bed, and say to me, 'Go count it, kiddo.'"

Mornings found Anna Walker in the kitchen, frying pancakes, bacon and eggs and French toast for the family before work and school. Elizabeth lived in the house until she married, in 1941.

Garden Avenue, which changed names around 1920, was mostly German, with some families from the South. The neighborhood was "very, very, very fine," Elizabeth recalls. "Nobody ever locked their doors. The neighbors sat on the porch and visited." The Walkers were almost the only kids. Cats prowled, and dogs roamed without leashes, including the Walkers' small colie, Muffy.

Charles and Anna debated moving. "The big conversation was, my mother wanted to live in the country," Elizabeth says. "My father wanted to live where the action was. He wanted to go downtown every day. He loved the theater and concerts."

So the Walkers stayed for 34 years, until Charles died in June 1958. Then Anna moved to Westlake with her son, Thomas, a Prudential Insurance agent, and his wife, Lillian. She sold the house to the Rokakis in November 1959.

Jimmy Rokakis' oldest sister, Cynthia, was born in a cave in Crete the day the Nazis parachuted onto the island, May 20, 1941. Relatives had put Cynthia's mother, Eleni, on a donkey and taken her there to hide. Her husband, Manousos, wasn't with her — he was part of the Cretan resistance, readying for battle.

Manousos had served as a palace guard in Athens and a pall-



Elizabeth Pumphrey (top, right) and her brother Charlie were two of Charles and Anna Walker's eight kids. The Walkers (above, seen during Christmas 1952) lived at 2401 Garden Ave. from 1914 to 1959.

bearer for Greek prime minister Eleftherios Venizelos, a native of his village. There's a picture of Manousos and a friend as young men wearing traditional Cretan garb — boots, baggy pants, headscarves, knives tucked across their waists. Early in the occupation, he took part in *firefights*, then was often in hiding. Years later, he wrote epic poems full of dates of battles and names of people killed.

Fear left Crete when the war ended, but poverty did not. Manousos, a shepherd, and Eleni, a seamstress, had four daughters by 1950 and knew they'd never afford four dowries. So Manousos followed his sister to Cleveland, hoping to send money home to buy land. After three years here, he only had enough for one-way boat trips to America.

When Eleni and the girls arrived, they shared a Prospect Av-

enue apartment with another family, but the girls, happy to have indoor plumbing, didn't mind. Jimmy was born in 1955. Their next home, in Tremont's Valley View projects, was a little tight, especially after the twins, Andy and Alex, arrived in 1956.

The move to Garden Avenue was the family's dream realized. Mary, who was 15, coveted the attic. But the roof angled down so sharply you could bump a head coming up the stairs. With no insulation, the attic turned sweltering in the summer and freezing in the winter, driving Mary back to the second floor.

Her brothers and sisters made friends and played out in the street. Efty remembers hiding behind houses and garages during hide-and-seek, waiting to run for the goal. Jimmy threw baseballs at a garage as hard as he could to see how far they'd bounce back.

Their porch looked straight down at the sidewalk. The back yard was a tiny sliver of green lawn. A warehouse built around 1961 blocked the view of Denison Avenue.

While the living room filled with kids watching TV and chatting in English, the basement sheltered Manousos' Old World ways: a grape press for making wine and a copper still for brewing ouzo, the anise-flavored Greek liquor. The serpentine tubes feeding the kettle often leaked.

"Eleni! Come down and fix the still!" Manousos would shout.

"My mother would come down with a rag, and try to plug the hole," Alex recalls. "We were lucky he didn't blow up the house."

Before plying houseguests with ouzo, Manousos tested it. "He'd take a match to it, and if it caught fire, he'd tell my mother, 'Oh, it's good,'" remembers Alex. "He'd hide it in gallon jugs in my closet. My clothes smelled like ouzo."

Still a shepherd, Manousos slaughtered lambs for Easter downstairs. But the kids started refusing to eat lambs they'd seen alive or heard baaing. Manousos eventually had the lambs killed on the farm.

Eleni cherished the holidays. She was devout, although without a car, she couldn't always get to church. She walked through the house on holy days, burning incense in each room.

Saturdays, Manousos brought feta cheese, olives and spinach home from the West Side Market so Eleni could cook a huge Sunday dinner. The image of Eleni in the kitchen, working, is bittersweet for her children. The 1,361-square-foot house was her world. "It was unfair, the role she had," Jim says. Yet she never kept jobs outside the house for long. "She would be physically sick," says Efty. "It was just too hard, overwhelming, with all the children at home, to go out and work."

Eleni missed Greece terribly and "always wished she could go back," Mary says. Talk about her family in Crete "would bring tears to her eyes." A terse telegram informed her that her mother had died. She couldn't afford to go home for the funeral.

Her husband was much happier. Cretans in Cleveland revered Manousos as a folk poet. They asked him to write poems for baptisms and weddings. "He'd gladly oblige and make them up on the spot," says Alex.

For a few years, Manousos owned the coffeehouse near the Greek Orthodox Church of the Annunciation, on Tremont's Fairfield Avenue. It was a hangout for recent Greek immigrants, old and young. "He made a very nice little living there, but much of it was derived from the illegal gambling that took place there," says Jim. "My father was arrested on at least two or three occasions." The police shook Manousos down in exchange for letting the heat off. Jim remembers cops coming to the house for envelopes and bottles of ouzo.

Manousos later sold the café and got a maintenance job with

the county engineer. "I think my father was very proud of the fact he owned a home," says Mary.

"Mom always wanted a yard," says Efty, "and to not be so close to the house next door. She wanted to live in Parma. She just thought that'd be so nice, to live in Parma."

Instead, the Rokakis lived at 2401 Garden Ave. for more than 30 years. Eleni filled the dining-room cabinets with knickknacks: a porcelain doll, candy dishes, wine glasses that didn't match.

Jim Rokakis graduated from Oberlin College in 1977 and moved home to run for Cleveland City Council, expecting to lose. But his once-healthy working-class neighborhood was suffering. The stores at Denison and West 25th had been demolished, replaced by shady honky-tonks. The two movie theaters had become adult bookstores.

"Elect a councilman who cares for this neighborhood too much to watch it die," his campaign literature read. Local Cretans put on a dance to raise money, and he held a kielbasi, beer and polka night at an American Legion hall.

The Garden Avenue house's second floor took on the feel of a frat house, Jim says, with brothers coming and going. Some nights, he slept in his old bedroom, where his brother Andy had painted a beaten-down wooden fence, a lovable-tramp figure and an orange cat on the wall — a knockoff of the cover of Cat Stevens' "Teaser and the Firecat," the album with "Peace Train" on it.

Downstairs, their dad fired up the ouzo still again. "You've really got to knock this off," Jim told him. "They'll come and raid this place."

"I can't," Manousos said. "It's part of who I am."

The house filled with volunteers, including lots of Jim's college friends. The night before the election, a dozen people slept on the living room floor.

Rokakis won. At his victory party, Nov. 8, 1977, he posed for a photo with his parents. He looks the same as he does today, except that his thick, salt-and-peppery hair and moustache were black then. He's got one arm around his father, who still looks tough and rugged 26 years after leaving Crete's sheep pastures. Jim's other hand rests on his mother's shoulder. She's a head shorter than him, wearing a sky-blue coat and a dark-blue blouse covered in dots. Jim looks content and exhausted, his dad wary, his mom happy and proud.

Soon, 2401 Garden Ave. echoed with the phone calls and hubbub that descend on a councilman's home. It overwhelmed Rokakis' parents, so he got an apartment nearby on Archwood Avenue, then a house there.

Once, a cop his dad had paid off tried to befriend him. "I remember your dad," the cop said. "I used to come to your house."

"Yeah, I remember you coming to my house," Rokakis remembers saying. "I remember how and why." Mortified, the cop backed off.

Rokakis passed around petitions and got some neighborhood bars closed. He brought a low-cost loan program for home rehabilitation to the ward, fulfilling a campaign promise. His parents got one of the loans, and the house got its porch screened in. Manousos and Eleni spent hours out there, drinking coffee and talking, feeling the breezes through the sliding screens.

Eleni visited her family in Greece twice, in 1967 and 1977. She came down with pulmonary fibrosis and spent her last years attached to an oxygen machine. Mary's husband built a second bathroom and laundry room on the first floor so Eleni would only have to climb stairs once a day. He even found a new lead-

ed-glass window for the addition to match the others.

Eleni died in 1986. Manousos moved in with his daughter Efty in 1991 and deeded the house to Jim. Manousos died in 1992, and his kids had to empty the house. Efty kept the doll, the dishes and the wine glasses from the dining-room cabinets.

The house stood vacant for a year. Jim rented it to a family named the Franklins, then sold it for \$32,000 to Jim and Sheila Hodge, who'd come to Cleveland from Pennsylvania.

Jim and Sheila Hodge owned 2401 Garden Ave. for six years. "That was a beautiful home," Sheila remembers. Jim Hodge worked hard on making it even more so. He refinished the wood, redid the kitchen, installed maroon carpet. He put siding on the house. He poured a concrete driveway, laid brick at the foot of it, and at the end erected a little wood gate with a peaked overhang. He nailed horse-shoes on it for luck.

Then an Aldi store moved in across the street. When Rokakis, still the councilman, announced the plans at a meeting, people cheered. They liked Aldi's cheap grocery prices. But several Garden Avenue homes were torn down to make way. Now the Hodges' house faced the Aldi parking lot. Litter blew against the house. Loiterers hung out in the lot late at night, drinking.

One summer, Sheila and a friend were sitting on the porch when a car and a police cruiser raced the wrong way down the one-way street. Bullets smashed through the porch window. Sheila and her friend hit the floor.

Jim Hodge was a truck driver, hauling frozen food for Burger King. One day, he opened the truck and the cargo fell on him. Scars from the accident run down his shoulder and across his arms — deep creases, like knife cuts. He couldn't work for two years, and it took four years to get all the money workers' comp owed him, he says.

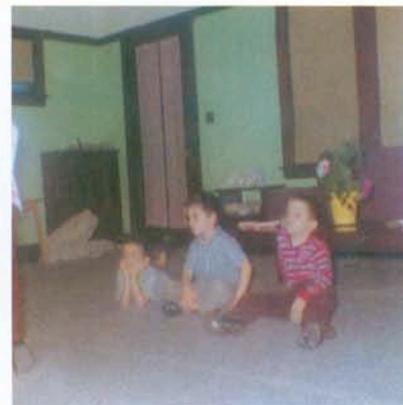
So the Hodges moved in with Jim's parents in Old Brooklyn and rented out the house. Jim thought he'd found good tenants — one had worked at LTV Steel for years — but they stopped paying rent. It took months to evict them.

"We went over and saw the house," says Sheila. "It was trashed." The renters had punched holes in the walls and let dog droppings pile up in the basement.

"She started bawling," says Jim Hodge. "I was furious, didn't know what to do."

Jim and Sheila ended up in bankruptcy. The bank that held their mortgage sued to foreclose in 1998, and they lost the house the next year. "It was like hitting the lottery and just giving it away," Jim says.

The Hodges had bad luck with mortgages. They refinanced in 1994, taking out two new mortgages to pay for the work on the house. Jim remembers both had adjustable rates. The payments on one fluctuated wildly, while the other had a higher interest



The Rokakis boys and their friends pose on Garden Avenue in the summer of 1962: (from left) Andy, Raymond Askew (kneeling), Alex, Shari Askew (holding umbrella), Jimmy, Mikey Robinson (holding a wooden sign with the name of their club, probably "The Electric Co.") and Denver Lee Franklin. Bottom left: Eleni and Manousos celebrate Christmas 1964 with their sons, Alex (left), Andy (seated), Jimmy (right), and their niece, Sophia. Bottom right: Alex, Andy and Jimmy watch TV in the living room in March 1961.

rate and higher payments that kicked in after two years.

Subprime adjustable-rate mortgages often lead to foreclosure, argues Rokakis, who says many lenders and brokers offer loans with low teaser rates, knowing that the customer won't be able to pay when the rate and payments rise.

The Hodges didn't know that when they signed the loan, though someone warned them about adjustable-rate mortgages a few years later.

"We were young," Jim says. "We were just pleased to be able to have a home and start raising kids."

They refinanced one mortgage in August 1995, with Delaware Savings Bank. That loan required a huge final "balloon payment" — a type of loan that Cleveland tried to ban in 2002. The bank lent the Hodges \$42,500 at 10.1 percent interest, but required them to make monthly payments of only \$376 for 15 years — then a final "balloon" payment of \$35,177. So at the end of 15

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years, after \$67,700 in payments, the Hodges would have only accrued about \$7,300 in equity.

Jim Hodge agrees they got bad loans, but he doesn't blame them for the foreclosure. He blames his work injury and the tenants who quit paying rent.

After moving back to Pennsylvania for a while, the Hodges bought a house in Seven Hills last year. Their back patio is bigger than the Garden Avenue house's backyard. Jim put in plants and blue flowers along their new yard's edge. He owns a small trucking company now. One evening this May, he's fielding work calls, shirtless, on the patio; his cell phone ringtone is Johnny Paycheck singing "Take This Job and Shove It." Business isn't great, so he's looking for more lucrative materials to haul.

Jim vows he'll never let his new house get foreclosed on. "I'm going to keep it. If not, I'll sell it."

Around 2000, Rokakis started hearing warnings that shady home loans were spreading through Cleveland. He remembers Frank Jackson, now mayor but then a city councilman, telling him about "a lot of people being put into bad mortgages out here, a lot of houses going dark."

All across the country, mortgage lenders were giving out more subprime loans with high interest rates, usually to people with weak credit histories. Many of the loans had dangerous terms: Low teaser rates and monthly payments that shot up after a couple of years, huge final payments, penalties for paying off the loan early. Some subprime lenders weren't putting money in escrow for the homeowner's property taxes and insurance, making the house seem more affordable than it was.

So, in cities like Cleveland, in modest neighborhoods like the one Rokakis grew up in, a lot of borrowers were getting houses and loans they couldn't pay for. One financial setback could easily sink them. So could the skyrocketing house payments after their teaser rate expired. Between 1995 and 2000, mortgage foreclosures in Cuyahoga County doubled. Cleveland's struggling economy deserved part of the blame. But Rokakis, and other public officials and housing activists, began to speak out about the role of reckless and predatory loans.

"If I, as the tax collector, see the property base being devastated by thousands of foreclosures and vacancies, I think I have an obligation to speak out," he says.

Rokakis helped sponsor a 2001 conference about predatory lending at Cleveland State University. When Cleveland City Council banned predatory loans in 2002, Rokakis called legislators and Gov. Bob Taft's office to defend the law. But the state legislature voted to void it, arguing it infringed on the state's powers, and the state Supreme Court struck down Cleveland's law in 2006.

The subprime loan market kept expanding, fueled by Wall Street investors who bought bundles of loans from lenders. For a while, subprime loans looked like great investments because their higher interest rates meant a higher return.

But when Cleveland borrowers fell behind on their house payments, the region's slow economy made it hard for them to sell their houses before they lost them. Last December, one in four subprime loans in Greater Cleveland was delinquent 60 days or more — the worst delinquency rate in the country.

Rokakis blames the state legislature, which didn't extend Ohio's consumer protection law to cover mortgages until last year, then weakened the law by limiting damage awards. (The limit is being fought over in court.)

"The economic problems in this county make it harder to recover from the damage that predatory lending has caused," says Mark Wiseman, the county's foreclosure prevention director.



Cleveland, Detroit and New Orleans are all among the top 10 metro areas for subprime delinquencies.

They're also among the 10 poorest cities in the country and the 10 metro areas losing population the fastest. Meanwhile, in growing cities such as Greater Miami — where the subprime delinquency rate is 8 percent, a third of Greater Cleveland's — homeowners facing foreclosure can usually escape it by finding someone to buy their house. Here, that's harder.

So the flood of vacant, foreclosed homes is spreading from old city streets like Garden Avenue to Cleveland's suburbs. In May 2005, concerned suburban mayors asked to meet with the Cuyahoga County commissioners. Rokakis attended.

"We were stunned at the turnout," he says. The crowd filled the commissioners' chambers and spilled into the hallway. Mayors, councilpeople and activists complained that the county's foreclosure process took much too long, keeping houses empty for years. The commissioners promised to speed things up. Since then, the county has hired more magistrates and is disposing of foreclosures faster.

Rokakis thought they should also deal with the causes of foreclosure. So he teamed up with the commissioners, especially Tim Hagan, to find funding for the new county foreclosure prevention program, which started in March 2006. Now, by calling the county's 2-1-1 help line, homeowners can reach counselors from housing advocacy groups who can evaluate loans before they're signed and help people in danger of losing their home budget better and negotiate with lenders to lower their payments.

Still, for every home Rokakis' program saves, 20 new foreclosure filings hit the courts. At the old county courthouse on Lakeside Avenue, the dead files room has exploded out the door. Rows and rows of file boxes line the hallways. Cases are coming so fast, old ones can't be sent off for microfilming quickly enough.

Rokakis and Wiseman are convinced that Cleveland's foreclosure crisis is going to get even worse. Once all the adjustable-rate mortgages Clevelanders have recently signed adjust to higher rates and payments, they say, many more borrowers will default.

After the Hodges lost the house on Garden Avenue, it went up for sale at the county sheriff's weekly foreclosure auction. On Nov. 1, 1999, in the downtown Justice Center, Wayne Viton, a semiretired landlord, and Gabriella Massey put in the winning bid of \$33,200 — roughly what the Hodges paid Rokakis for it, before Jim Hodge's work on it.

"It was a good deal," Viton recalled this May, standing on the porch of his red brick house in Cleveland's West Park neighborhood. "It was in fair condition." The vinyl siding and screened porch made it attractive. "The house could sell itself."

Viton owned 2401 Garden Ave. for almost two years. He says he fixed water damage from frozen pipes and radiators, replaced some of the radiators and improved the kitchen and bathroom. He sold the house in October 2001 for \$85,000, two and a half times what he paid for it, twice the value of the houses next door.

Seeing home prices spike suddenly on modest streets like Garden Avenue makes Rokakis nervous. As part of his foreclosure crusade, he's been speaking out against "flipping." It's a more sinister practice than the pop-culture version on TV shows such as A&E's "Flip This House," which portray real-estate investors pouring lots of work into fixer-uppers. As Rokakis and urban-studies experts define it, flipping means buying houses, making few or no improvements, then quickly selling them for inflated prices. Flipping has overvalued thousands of Cleveland properties; many end up in foreclosure. Lax subprime lending standards make it easier for flippers to make deals.



But Wiseman, looking at Viton's purchase and sale, says they "seem fairly innocent." True flippers often sell a house in two days, not two years.

"That particular house was worth far more than what I paid for it," Viton says. "You had a legitimate sheriff's sale, you had a house sold at market value to folks who had a good job [and] made their own decisions."

Viton sold the house in October 2001 to Enrique Solis, who worked for Adalet, a manufacturer on Cleveland's West Side, and his girlfriend, Emilia Colon, a city sanitation worker. Colon can't remember what she and her now-husband paid. She guesses \$102,000; it was \$85,000. "We actually went to rent it," she says. "For some reason, the owner convinced us we could buy it."

Looking back, she thinks she paid too much, especially since she saw an ad for her old house in the paper this year, with a starting bid of about \$13,000. "Buying a house is always everybody's dream, owning something," she says. "Sometimes they make it so easy for you to buy, that sometimes you don't even care what the asking price was, as long as you get in the house and have a piece of the dream, like everybody else."

Viton helped connect Solis with Household Bank, a subsidiary of Household International, then the country's largest subprime lender. Household Bank loaned Solis \$76,500 at 10.06 percent interest.

The average 30-year mortgage rate then was 6.62 percent. Yet Solis did better than most subprime customers, says Mark Wiseman. Most subprime loans have adjustable rates, he says; Solis' rate was fixed.

The loan included a \$3,825 penalty if Solis had paid it off within three years. Wiseman says such prepayment penalties are unfair. "If you refinance, you're supposed to be doing it because it makes financial sense for you," says Wiseman. "Why should you pay a penalty?"

In 2002, a year after Solis got his loan, Household International — which also owned Beneficial Mortgage, one of the Hodges' lenders — reached a \$484 million settlement with attorneys general from 19 states. They had accused Household of predatory loan practices, including misleading customers into high interest rates, applying long-lasting prepayment penalties and not providing descriptions of loan terms in languages other than English. (HSBC, the London finance giant, acquired Household in 2003.)

Solis and Colon lived on Garden Avenue for about five years. They never got out of their loan. Colon had a heart attack, she says; she missed two months of work and two mortgage payments, then never caught up. Solis, who'd recently gotten divorced, declared bankruptcy.

When Deutsche Bank, which took over the mortgage from Household Bank, filed for foreclosure, Solis and Colon's lawyer accused the bank of failing to apply their payments to their account. The bank replied that Solis and Colon had stopped payment on some of their checks.

"It took us six or seven months fighting, with the lawyer, to try to keep the house," Colon says. But the bank's asking price was too much. Finally, "We called them up, and told them they could have the house back." The judge ruled for the bank, Solis and Colon moved out, and the property went back to sheriff's sale in December 2006.

Colon and Solis now live in a house on historic Archwood Avenue. She's a supervisor for the city's streets division. She's watching the home-and-garden channel HGTV one day after work when I stop by. I ask if I can also speak with Solis, hoping to ask him about the loan he signed. Colon declines. It's hard for

him to speak English, she says.

On my way out, Colon shows me her dining room, where collectible dolls stand on little pedestals below pictures of her with her daughters. On a modest bar-table stand some bottle-shaped beer cans with Indian logos — her husband's collection — and a bottle of ouzo.

After foreclosing on Solis and Colon, Deutsche Bank bought 2401 Garden Ave. for \$40,000 at a December sheriff's sale and had the house sold at a private auction on March 15. That's the day Rokakis drove to Garden Avenue, realized he couldn't stand competing for his childhood home, and drove away. "I just decided it wasn't the same house anymore," he says.

Rokakis has spent much of 2007 talking with senators' aides and reporters for national media about foreclosure and subprime lending. Calling attention to the issues used to be a struggle, but not anymore. Now that investors have confronted the risks of subprime loans, mortgage companies are failing at a furious rate. "When there was blood on Main Street, in cities like Cleveland, nobody gave a damn," he says. "But when blood began to flow on Wall Street, everybody cares."

At the auction, Terry Hugo of Strongsville, a landlord and deliveryman for DHL, bought 2401 Garden Ave. for \$15,250.

One warm afternoon in May, I stop by Garden Avenue at the same time as Frank Raymand, who's rehabbing the home for Hugo. Raymand lets me in.

Peeling paint hangs from the basement stairwell's ceiling. The kitchen is barren, its appliances gone. The maroon carpet is dirty. Holes in the ceiling plaster expose the second floor's wood boards.

But the dark wood doorways still give the house the sturdy feel of many pre-war Cleveland homes. I tell Raymand the first-floor bathroom is an addition. He looks at it a while and says he doesn't believe it; it lines up exactly with the back of the kitchen.

Raymand opens the cupboards under the sink. "The plumbing's gone. They took the copper." We go out on the porch, where Manousos and Eleni Rokakis used to drink coffee and enjoy the breeze, where Sheila Hodge ducked bullets. "Warning," says an orange sticker on the front door. "Lock changed, Fidelity National Field Services, 10/25/06." The lock wasn't enough, or came too late, to stop the thieves. "They were eating chicken," Raymand says. A wing bone lies on the porch floor.

Upstairs, Raymand eyes the bathroom and says he'll totally redo it. He walks into the back bedroom, where Andy Rokakis painted the Cat Stevens album on the wall, and stops where carpet gives way to tile — at the old airing porch the Walkers enclosed. "I have no idea what that was," he says. The attic is 10 degrees warmer than downstairs — just as Mary Rokakis discovered when she tried to escape her six siblings there.

"We looked at so many houses the day before this," Raymand says. He and Hugo decided on this one because of the price. They can invest a lot in it and still profit. Hugo plans to put about \$20,000 of work into the house: new carpeting, plastic pipes, new landscaping, a redone bathroom and kitchen. He hasn't decided whether to rent or sell it.

Raymand says it'll take him 12 to 14 weeks to rehab the house. He thinks someone new will be living in it by summer's end. "It seems like all the wood here is intact," he says, looking at the four doorways on the second floor. Only one still has a door in it, made of dark, thick wood. "I'd never change this door." So he'll look for old doors to buy on the Internet. "I like old houses," he says. ■