

RELEASED: Thursday, March 17, 2016

Foreign Correspondent: The Zombies from Wall St

Airs Tuesday, March 22 at the new time of 9.30pm on ABC & iview

They're back. The crazy loans that triggered the Global Financial Crisis have morphed into "zombie mortgages" and, as Paul Barry discovers, they're cutting a swathe through some American cities.

A preview of this episode is available on request and Paul Barry is available for interviews.

Next time the dinner party conversation turns to property values, consider this: in once-proud American neighbourhoods, two-storey houses are being dumped at auction for a few hundred dollars. Some are literally being given away.

In Cleveland, Ohio – once America's economic powerhouse – it's almost a daily event, a legacy of the banking villainy that gave us the GFC.

And now, believe it or not, the banks are playing havoc again.

"Is this a family show?" – Cleveland politician and activist, Jim Rokakis, when asked for a comment on the banks.

When reporter Paul Barry visited the Midwest city in 2007, "subprime" loans were pushing thousands of families into default. Many were evicted. Others just walked away, emptying out once thriving neighbourhoods.

"Everybody's gone. I'm the old lady on the street now" – East Cleveland resident Stephanie Benifield

Now Barry returns to Cleveland to find prices have plunged so far that many houses are worthless. Banks don't even bother to foreclose on defaulters. And homeowners are now being stalked by "zombie mortgages", which leave them liable for property taxes and maintenance costs they can't afford, even if they've left their homes and declared bankruptcy.

"We're the guys behind the elephant cleaning up the mess - and it's a big bucket that we've gotta carry these days" – local councilor, Tony Brancatelli

Brancatelli's "big bucket" must hold the debris of 20,000 decaying homes, shunned by banks or buyers and now being reluctantly bulldozed by local authorities.

"Vacant lots, like broken teeth on a smile" – Jim Rokakis, surveying a local streetscape

The price collapse means thousands of people in Cleveland have had their most precious asset stripped of all value. Nationally, the devastation beggars belief

"It's estimated... that the minority community, African-American and Hispanic, have taken a \$1.2 trillion hit between 2000 and 2010 to their net worth" – Jim Rokakis

It's not only Americans who are taking a hit, but also speculators from China, Russia and Europe – even a Coptic bishop in Egypt

But as Paul Barry reports, a few locals are finding surprising opportunities amid the ruins. Not everyone flees from The Zombies of Wall Street.

***Foreign Correspondent: The Zombies from Wall St* airs at 9.30pm on Tuesday, March 22 on ABC & iview. Also available on iview.**

Paul Barry is available for interviews and a preview of this episode is available on request.

You can view previous episodes on **ABC iview** and online at: **abc.net.au/foreign**

Join the conversation: **#ForeignCorrespondent**

Follow Foreign Correspondent on Twitter: **@ForeignOfficial**

Facebook: **ABCForeignCorrespondent**

For further information contact:

Chris Chamberlin, News Publicist, ABC TV Publicity

02 83333 2154 | 0404 075 749 | chamberlin.chris@abc.net.au

[@popculturechris](#)