

MEMORANDUM

October 27, 2008

TO: Interested Parties

FROM: Jared Leopold, Democratic Party of Virginia

RE: Thelma Drake makes over \$400,000 off of foreclosed homes, while voting against relief for VA homeowners

In the midst of an economic crisis, thousands of Hampton Roads residents have lost their homes to foreclosures. Thousands more have seen their home values plummet due foreclosures in their neighborhood.

Foreclosures have tripled in Hampton Roads this year, but victims of foreclosures have gotten no help from Thelma Drake. Drake has established a strong anti-consumer record, including

- voting against foreclosure relief to provide voluntary refinancing for homes in danger of foreclosure
- voting against prohibiting balloon payments on mortgages
- voting against limiting high-cost mortgages
- voting against diversifying the credit-rating industry
- voting against allowing states to crack down on abusive foreclosure practices.

While Drake votes against foreclosure relief, her most recent personal financial disclosure reveals that she has made more than \$400,000 in profits and assets from foreclosed homes in East Ocean View. Drake still owns two formerly foreclosed properties, one of which currently sports a handmade "For Rent" sign with her husband's office phone number on it.

Last month, Drake sought to make political hay out of the tax exemption her opponent received while serving in Iraq, which only amounted to hundreds of dollars a year. Meanwhile, she has yet to answer questions about hundreds of thousands in personal profits and assets from foreclosed houses in Norfolk.

Personal assets:

As her constituents struggle just to stay in their own homes, Drake's most recent personal financial disclosure reveals that she held at least a dozen properties worth between \$2 million and \$4.6 million - a number of these were purchased after their owners couldn't afford to pay their mortgages.

From public records, Drake has made \$437,750 through her personal investments in foreclosed properties:

- Drake purchased 2619 Pretty Lake Avenue in Norfolk, VA for \$148,500 on April 16, 2003, from Glasser and Glasser PC following a mortgage default by the previous owner. She sold the property on September 2, 2003, for \$212,000, a **profit of \$63,500**. [Norfolk City Clerk of Court, Instruments 030015414, 030035044]
- Drake purchased 9549 7th Bay Street in Norfolk, VA on December 5, 2000, for \$17,050 at a public auction after the owner defaulted on a mortgage secured by the property. At the time, the property had an assessed value of \$43,440 [Norfolk City Clerk of Court, Instruments 000029113]. Drake disclosed a rental profit from the property of \$5,001 to \$15,000 in 2006 and again in 2007. She disclosed its value at \$100,001 to \$250,000. [Clerk of the House] According to a July 2008 assessment, the property is now worth \$177,000 -- a **profit of \$159,950**. [See Assessment: <http://www.norfolk.gov/RealEstate/InfoPg.asp?address=9549+7th+Bay&submit1=Search>]
- Drake purchased 9527 11th Bay Street in Norfolk, VA on February 15, 2001, from Wachovia Bank for \$27,500. Wachovia obtained the property through a foreclosure dated December 5, 2000. [Norfolk City Clerk of Court, Instruments 010003895] Drake disclosed a rental profit from the property of \$15,001 to \$50,000 in 2006 and again in 2007. She disclosed its value at \$250,001 to \$500,000, at least a \$222,501 increase from the purchase price. [Clerk of the House] According to a July 2008 assessment, the property is now worth \$241,800 -- a **profit of \$214,300**. [<http://www.norfolk.gov/RealEstate/InfoPg.asp?address=9549+7th+Bay&submit1=Search>]

Drake's Record of Turning Her Back on Virginia Homeowners:

With expectations to make hundreds of thousands off of foreclosed properties, it's no wonder that Drake consistently votes against oversight of the mortgage industry and against protections for struggling homeowners.

In 2008, Drake Voted Against legislation to Overhaul Federal Funding for Home Loans (HR 3221). The bill had several broad measures to address the current housing crisis, including increased oversight of and emergency financing for Fannie Mae and Freddie Mac, increased limits for FHA-insured home loans, \$300 billion in loan-guarantees for at-risk home loan refinancing, and tax credit for first-time home buyers. [[HR 3221, Vote #301, 5/08/08](#)]

Drake voted against several major bills in 2007 to reform the housing industry. She voted against legislation (HR 3915) that brought mortgage brokers under federal regulation, established minimum standards for home loans and expanded certain limits on high-cost mortgages. It also prohibited brokers from steering consumers to mortgages they were unlikely to be able to repay. [HR 3915, [Vote #1118](#), 11/15/07]

Drake's Properties

The following table lists property from Drake's most recent personal financial disclosure. Foreclosed properties are bolded and marked with an *.

Year	Address	Low	High
2007	3014-1018 E. Ocean View Avenue	\$500,001	\$1,000,000
	403 Westmont Avenue	\$100,001	\$250,000
	414 Freshmeadow Road	\$100,001	\$250,000
	9549 7th Bay Street*	\$100,001	\$250,000
	9527-9531 11th Bay Street*	\$250,001	\$500,000
	3004 East Ocean View Avenue	\$250,001	\$500,000
	2143 East Ocean View (sold in 2007)	\$100,001	\$250,000
	9625 2nd Bay Street (sold in 2007)	\$100,001	\$250,000
	ES 4th Bay Street	\$50,001	\$100,000
	WS 7th Bay Street	\$100,001	\$250,000
	9635-9639 15th Bay Street	\$250,001	\$500,000
	8428 Tidewater Drive	\$100,001	\$250,000
	TOTAL:	\$2,000,013	\$4,600,000

[Clerk of the House]

In addition to the profits she is making on her personal real estate holdings, Drake has received over \$275,000 in contributions from the commercial banks and real estate industries. [Federal Election Commission; [opensecrets.org](#)]. Also, less than two weeks after voting against legislation to increase oversight over Fannie Mae and Freddie Mac, Fannie Mac's political action committee sent Drake \$2,000.. [[fec.gov: HR 3221, Vote #301, 5/08/08](#)]

Thelma Drake Turns Her Back on Virginia Homeowners

Drake voted against overhauling federal funding for home loans. The bill had several broad measures to address the current housing crisis, including increased oversight of and emergency financing for Fannie Mae and Freddie Mac, increased limits for FHA-insured home loans, \$300 billion in loan-guarantees for at-risk home loan refinancing, and tax credit for first-time home buyers. [[HR 3221, Vote #301, 5/08/08](#)]

Drake voted against a bill that would create a nationwide mortgage licensing system and registry. The bill also established minimum standards for home loans and expanded certain limits on high-cost mortgages. It would prohibit brokers from steering consumers to mortgages they are unlikely to be able to repay. [HR 3915, [Vote # 1118, 11/15/07](#)]

Drake voted against a bill that would establish an affordable housing trust fund. The bill would also have provided assistance for the construction, rehabilitation and preservation of affordable housing for low-income individuals and families. The fund would be financed from Fannie Mae and Freddie Mac profits as well as Federal Housing Administration surplus funds. It would require the Housing and Urban Development Department to establish a formula to allocate the trust fund among states, participating local jurisdictions, Indian tribes and U.S. territories based on their relative needs. The bill passed 264-148. [HR 2895, [Vote#958, 10/10/2007](#)]

Drake voted against regulating Freddie and Fannie. Drake voted against a bill that would create a new independent agency, the Federal Housing Finance Agency, to regulate Fannie Mae, Freddie Mac and the Federal Home Loan Bank System. The bill would allow the new agency to put the three entities into conservatorship or receivership in the event of a financial crisis. It would create a new federal housing fund to assist in the provision of affordable housing. It would require Fannie Mae and Freddie Mac to contribute 1.2 basis points of their total mortgage portfolio to the fund. The bill would authorize the agency to adjust the conforming loan limit according to the annual housing price index. The loan limit would be allowed to rise in areas where the median home price exceeds the general conforming loan limit, but increases would be capped at 150 percent. [HR 1427, [Vote#396, 5/22/07](#)]