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CONSUMERS RIGHTS LEAGUE
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**Whistleblower Documents Reveal ACORN's Apparent Misuse
Of Taxpayer Dollars to Pursue Profitable Political Agenda**
Taxpayer-Funded Advocacy Group Targets Low-Income Lenders to Force Settlement Deals

WASHINGTON, D.C. – Today, the Consumers Rights League (CRL) published a collection of whistleblower documents that suggest the Association of Community Organizations for Reform Now (ACORN) has reaped substantial financial gains by misusing taxpayer dollars for political ends and by attacking lending corporations for the same “predatory” lending practices it regularly engages in.

The ACORN Housing Association (AHC), an ACORN affiliate that receives over 40% of its funding from government sources, claims to be a consumer advocate. In a newly-released report from CRL, however, a series of documents obtained from a whistleblower source reveals hypocritical and potentially illegal use of taxpayer dollars by ACORN and its related organizations. These documents – which include staff emails and internal organization policies – suggest that ACORN has failed to maintain a proper distinction between its tax-exempt housing work and its aggressive political activities.

“ACORN and its offshoots take in millions of dollars in government grants under the guise of ‘consumer advocacy’ to line their own pockets. Attacking financial institutions for ‘predatory’ loan practices and then turning around to form cozy relationships with the same corporations sounds more like extortion than advocacy for low-income families,” said Jim Terry, CRL’s Chief Public Advocate. “The public deserves answers about how organizations funded by their tax dollars are functioning, particularly at a time when the Congress is considering pumping hundreds of millions of dollars into their budgets.”

According to the internal documents obtained by CRL, this potentially illegal practice of commingling funds occurs when AHC, ACORN’s tax-exempt offshoot, spreads government grant funds among various related entities to be used for political gains. Through targeted public relations assaults, ACORN is able to extract resources from financial lenders seeking abatement and to force financial settlements that benefit ACORN but are harmful to consumers.

Even as ACORN attacks other lenders for engaging in “predatory” tactics, the organization’s housing affiliate offers consumers the very same types of exotic loans, including 10/40 interest only mortgages (which prevent buyers from building equity during the first 10 years of a loan) and reverse mortgages (which can be detrimental to senior citizens). ACORN’s pay-to-play attack model has become so pervasive that in one internal email, a staffer writes that lenders view the forced deals with ACORN “as a cost of doing business.”

The CRL-issued report also raises concerns about ACORN’s role in the industry-wide relaxation of credit and the decline in mortgage lending standards that are at the heart of the current housing downturn. One email obtained from CRL’s whistleblower source reveals AHC’s use of suspect lending practices to help potential homebuyers obtain mortgages. In particular, one internal document outlines an AHC policy that advises its housing counselors to use “under-the-table” income – earnings that are typically not reported to the IRS – to process mortgage applications for low-income and minority homebuyers.

“The fact that AHC is counseling low-income consumers to take the very same loans it labels as ‘predatory’ is more than troubling,” said Terry. “It is important for homebuyers seeking AHC’s advice to understand ACORN’s true motives, and for American citizens to know how their money is being spent. This report raises some serious questions that deserve a great deal of scrutiny by consumers and taxpayers alike.”

The **Consumers Rights League** is a non-profit, non-partisan educational organization dedicated to protecting consumer choice and access to the marketplace. Through investigative analysis, CRL produces quality research that thoroughly documents the real-world choices and challenges consumers face and reports on the benefits enjoyed by an overwhelming majority of consumers. Read a full copy of the report and learn more about CRL’s mission at www.consumersrightsleague.org.

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