

Ministers crusade to reduce interest rates, debt

By **JESSE JAMES DECONTO**
STAFF WRITER

DURHAM – Standing at the pulpit of Mt. Level Missionary Baptist Church last fall, the Rev. Mikael Broadway gave a pep talk for a march against Charlotte banks and what he called their “loan shark” credit card fees.

A few months later, in a classroom down the hall, the Rev. Maggie Crandall scribbled strategies from her debt-busting playbook on a Sunday-School chalkboard.

Financial freedom is the name of the game; Broadway and Crandall are the offensive and

defensive coordinators for their church. They’re also teammates in a nationwide campaign to cut consumer debt.

Last spring, Broadway, a theological ethicist at Shaw University Divinity School, drafted a theological statement against “usury” – the Jewish, Christian and Muslim concept of oppressive interest rates. The Industrial Areas Foundation, a community-organizing group that trained and employed Barack Obama in the 1980s, confronted North-Carolina-based banks with it last summer.

Since January, Crandall has been leading



The Rev. Dr. Mikael Broadway helped organize a rally against banks.



The Rev. Maggie Crandall left a consulting career to become a pastor.

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PHOTOS BY JESSE JAMES DECONTO - jesse.deconto@newsobserver.com

TAR HEELS
OF THE WEEK

TAR HEELS

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Mt. Level members in a financial literacy course, calling in to question the spending that many people take for granted: cell phones, cable TV, up-to-date fashions and monthly payments for new cars.

Together, these two associate ministers are trying to break the bonds of debt — inside their church and beyond.

“You feel helpless because there’s nothing you can do,” said Melinda Graham of Lexington, battling thousands in credit card debt after a layoff last year. “Hopefully, this [campaign] makes a difference.”

Broadway and Graham were among nearly 500 church-goers who marched on Charlotte in October, demanding an audience with executives at Bank of America and Wells Fargo/Wachovia. Broadway has also been a key negotiator at ensuing meetings, pressing for IAF Southeast’s agenda, which includes a 10 percent cap on credit-card rates, a 6 percent cap for active soldiers and veterans, and a restructuring of existing mortgages to avoid foreclosures.

The average credit-card rate is nearly 15 percent, and congressional staffers have found rates as high as 41 percent.

IAF Southeast director Gerald Taylor said Broadway helped the cause by pointedly asking a bank executive at a recent meeting whether there’s an interest rate high enough to call it immoral.

MIKAEL NEWTON BROADWAY

Born: Dallas, Jan. 13, 1958
Family: Wife, Everly Estes Broadway; children, David Estes Broadway, Durham; Naomi Palmer Broadway, Austin, Texas; Lydia Ruth Broadway, Durham; parents, William Davis Broadway and Hugh Delle Broadway, Salado, Texas.

Education: Ph.D., religion, Duke University; M.Div., 1993, Golden Gate Baptist Theological Seminary; M.Div., 1983, and B.A., religion, Baylor University, 1980.

Religious affiliation: Mt. Level Missionary Baptist Church, National Baptist Convention

pid,” Broadway said. “If we want this to succeed, it’s in our best interest to be able to, as much as possible, have a shared agenda with these banks.”

Broadway is more academic than activist. He recalls his time at Golden Gate Baptist Seminary in the early 1980s, when members of his San Francisco church rallied to help Central American refugees.

“Fellow church members were creating the shelter, running the shelter,” he said. “I was writing papers, reading books.”

He came to Mt. Level, a historically black church, as a white theologian from Texas wanting to learn how to “do church” alongside African-Americans. But he soon rose to leadership as the church’s liaison with the IAF affiliate Durham Congregations, Associations and Neighborhoods (CAN). Mt. Level’s senior pastor, the Rev. William Turner,

MARGARET GANIER CRANDALL

Born: Nashville, Tenn., 1948
Family: Husband, Richard W. Crandall; children, Wells Crandall, Brooklyn, N.Y., Kate Crandall, Philadelphia; brother, Albert Ganier III, Nashville; sister, Mary McGrath, Nashville.

Education: B.A., Purdue University, foreign languages, 1969; MBA, University of Louisville, 1978; M.Div., Duke University Divinity School, 2000, magna cum laude.

Religious affiliation: Mt. Level Missionary Baptist Church, National Baptist Convention

encouraged him to push the anti-usury campaign through Durham CAN. Other member churches soon signed on.

Mt. Level deacon Larry Bumgardner said Crandall and Broadway, two of about 20 volunteer associate ministers, push church members to talk about subjects most people avoid discussing: the plight of prisoners, poor housing conditions or personal finances.

“It begins to pull some other people into things they might not have done,” said Bumgardner, citing Crandall’s leadership in prison ministry and Broadway’s Durham CAN activism on after-school programs, childhood lead-paint exposure and credit-card interest rates.

Crandall, formerly a Methodist minister, recently joined the staff at Mt. Level to gain credentials to work as a chaplain in local jails and prisons.

Crandall is convinced that banks intentionally trap people

in debt because it’s so profitable over the long term. A new federal law took effect last month requiring monthly statements to include the length of time it would take consumers to pay off their balances if they made only the minimum payments. For millions of Americans, it would take decades.

Crandall’s aim is to help consumers stay out of debt in the first place. That means confronting her students like Tim Lattimore, a former drug dealer trying to figure out how to live on an honest day’s wages. He’s had to defend his spending against Crandall’s thriftiness.

“She shot me,” Lattimore said after a class session last month. “I think that I need a lot of money, but [Crandall says], ‘No, you just need to budget what you have.’ I think I need a lot of money to survive, but that’s the concept that I’m in the process of breaking.”

Crandall, a former biopharmaceutical marketing and licensing consultant, rose to the top 1 percent of female income-earners before converting to Christianity at 37 and enrolling at Duke University Divinity School in her late 50s. She describes herself as a Scottish “tightwad of the first

order” who pledged to spend no more than \$10 on any single clothing outfit, including shoes, while in seminary. She said faith changed her motivation from her own financial self-sufficiency to altruistic generosity.

“Now the excitement is to be thrifty in order to share,” said Crandall, who still owns a business consulting firm that gives its profits to charity. “If I don’t waste on something I don’t need, then I have more to give.”

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"It created the kind of moment you want in a meeting where people have to decide whether they're going to answer it or not," Taylor said. "[Broadway] plays a very important role as an interpreter, in helping to put into theological language what people are feeling and suffering."

Wells Fargo spokeswoman Lisa Westermann declined to discuss its talks with IAF but said credit card rates are based on the risk reflected in a borrower's credit history.

Taylor said Wells Fargo has not agreed that an interest rate could be usurious, but Bank of America has been more open to discussion on that issue, pointing to a card they introduced last fall with a rate floating permanently at 14 percent above the prime rate.

"It wasn't a 100 percent shutdown," Taylor said.

Citigroup CEO Vikram Pandit has endorsed some sort of rate cap, as long as it applies to all issuers and not to existing balances. U.S. Rep. Walter Jones is the only Republican and the only North Carolina representative among 71 co-sponsors on a current bill to cap credit rates at 16 percent.

Citing their talks with various global banks, IAF leaders think interest rates of 14 percent to 17 percent can cover a credit-card issuer's costs. Anything above that is pure profit, they say, and they'll be satisfied with a cap in that range, as opposed to the 10 percent target they started with.

"We're not trying to be stu-

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