By a 4-3 margin -- Nat Bates, Jim Rogers and Corky Booze came up one ally short -- the council rejected Bates' resolution to terminate a contract with Mortgage Resolution Partners, the company that hatched a harebrained plan to seize underwater mortgages through eminent domain, repackage them at a discount and pocket a tidy profit.

The flaws in Richmond's plan are many, beginning with whether eminent domain can even be used this way. Plus, the plan affects a limited number of homes -- barely 3 percent of single-family residences -- and helps no one in foreclosure, while MRP tacks a fee onto each transaction. Then there's the search for lenders to fund new loans at more than 100 percent of value. Let's not even discuss legal liability and lawsuits.

This scheme to end the so-called mortgage crisis, championed by bank-hating Mayor Gayle McLaughlin, is rich in intention and short on critical thought. That's why no one has tried it. Lord knows, MRP has sought clients.

Richmond had the chance to put this whole mess in its rearview mirror. The failure wasn't for lack of urging by concerned residents.

"Why don't you just go ahead and forget this eminent domain thing, because it's not going to work," the first public speaker said. "Everybody knows it was a scam. Let's just drop it. You're wasting people's time."

"It's obvious that there are no other cities dumb enough to fall for this scheme," a woman said. "The mayor keeps talking about big banks, so I guess she doesn't understand that the mortgages eligible for this are not financed by any banks. They are mostly expensive homes in privileged neighborhoods, and their mortgages must be up to date to be considered."

"This program has been ill-conceived from the very start," another speaker said. "It's been a total embarrassment for the city. As the program was outlined, it was supposed to help a certain demographic -- people who had been exploited by predatory lenders -- but of the 624 properties on this list, most don't represent that demographic."

Sure, there are residents who endorse the plan. Two talked of their difficulty in making mortgage payments, thirsting for the mayor's promised Kool-Aid.

Rogers, who's fretted over Richmond's legal liability from the start, offered a compromise that should have generated interest. He suggested the city cut ties with MRP but be ready to renew its partnership if another city successfully implements such a plan. Let someone else dive in and see if lawsuits follow.

"When MRP came us to us, they told us they were going to buy insurance," he said. "They found out that they couldn't and decided to talk us into believing we didn't need it. I asked their lawyer what's the chance..."
we get hit with a $200 million lawsuit that the (mortgage) industry has promised.

"Is it 10 percent? He said, 'No.' Is it 5 percent? He said, 'Maybe, who knows?' In my mind, even a 1 percent chance is a deal-breaker."

Rogers said he doubts the plan will ever be enacted. He said many people are clinging to false hopes. He sounded very much like a voice of reason.

That's a lonely role in Richmond.

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