

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 080533)

RESOLUTION

Calling upon the Mayor to file lawsuits against mortgage lenders that have negatively impacted Philadelphia through foreclosures; and, if the Mayor fails to do so, authorizing Council to retain counsel to file lawsuits against these mortgage lenders.

WHEREAS, According to ACORN's October 2007 "Foreclosure Exposure 2: The Cost to our Cities and Neighborhoods" report, 3,206 of the high-cost loans made in 2006 in the Philadelphia area are likely to go into foreclosure and the costs to all of the stakeholders involved will be more than \$345 million; and

WHEREAS, These costs represent approximately \$23 million to individual homeowners in foreclosure, \$158 million to lenders and investors, \$62 million to local government, and \$107 million in lower home values of neighbors; and

WHEREAS, The ACORN report also states that studies have shown that foreclosures increase violent crime in neighborhoods, decrease property values in neighborhoods, and reduce city tax revenue, making it harder to provide good schools, police protection, code enforcement, and other services; and

WHEREAS, According to the *USA Today* newspaper, Cleveland, Baltimore, Buffalo, and Minneapolis have sued various mortgage lenders as a strategy to address the foreclosure crisis and to recoup lost city tax revenue, stop the strain on city services, and reclaim neighborhoods devastated by this crisis; and

WHEREAS, And in comparison to these cities, Philadelphia and its citizens are suffering from a mortgage foreclosure crisis and Council has passed Resolution Nos. 040100 and 080331 calling for moratoriums on Sheriff sales based on residential mortgage foreclosures; and

City of Philadelphia

RESOLUTION NO. 080533 continued

WHEREAS, It is the duty of this Body to protect the citizens and the neighborhoods of Philadelphia, and this Body has already gone on record to address this issue by unanimously passing the above-referenced resolutions and Bill No. 010715-A and holding hearings pursuant to Resolution No. 080095; now therefore be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That we hereby call on the Mayor to file lawsuits against mortgage lenders that have negatively impacted Philadelphia; and, if the Mayor fails to do so, authorizing Council to retain counsel to file lawsuits against these mortgage lenders.

City of Philadelphia

RESOLUTION NO. 080533 continued

City of Philadelphia

RESOLUTION NO. 080533 continued

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the twenty-second of May, 2008.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Patricia Rafferty
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Tasco, Sanchez, Jones and Green

Sponsored by: Councilmembers Tasco, Sanchez, Jones, Green, Greenlee, Rizzo, Council President Verna, Councilmembers Reynolds Brown, Kenney, DiCicco, Goode, Krajewski, Miller, Kelly and Clarke