

City of Philadelphia



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

(Resolution No. 120264)

RESOLUTION

Urging the First Judicial District to maintain and expand its nationally renowned Mortgage Foreclosure Diversion Program.

WHEREAS, Pennsylvania was one of only four states to see increases in foreclosures from January 2011 to January 2012, increasing by 23.6 percent, according to RealtyTrac; and

WHEREAS, February foreclosures in the Philadelphia region rose by 47.2% over February of 2011 and total defaults in Pennsylvania rose by 35% in February 2012 over February 2011; and

WHEREAS, Experts suggest one explanation for the upswing in foreclosure activity is the settlement that the federal government and various state governments reached with the five largest mortgage lenders for the “robo-signing” scandal of 2010. Pennsylvania’s share of the settlement is estimated to be as much as \$266 million. But now that the banks have resolved the legal issues that had caused them to slow down foreclosures, they are free to resume foreclosure filings; and

WHEREAS, A study by the Reinvestment Fund, also attributes the sharp rise in foreclosures to Pennsylvania’s elimination of the Homeowner’s Emergency Mortgage Assistance Program (HEMAP) in June, 2011. The study showed that HEMAP prevented 6,163 foreclosures from 2008 to 2010, which means that the state’s foreclosure rates would have been about 5 percent higher in those years without the program; and

WHEREAS, Philadelphia’s Mortgage Foreclosure Diversion Program was established on a trial basis in April 2008, as the number of City foreclosure filings exceeded 8,000 and was made permanent in December 2009. The mandatory program, which has been copied around the country, requires a face-to-face conciliation conference for all new foreclosure actions. Eligible homeowners, with housing counselors or legal help, meet lenders attorneys to reach agreements to try to avert foreclosures; and

City of Philadelphia

RESOLUTION NO. 120264 continued

WHEREAS, An independent study of the Mortgage Foreclosure Diversion Program concluded that this program significantly improved the chances for homeowners facing foreclosure to remain in their homes by successfully managing and facilitating resolutions to foreclosure actions to the mutual benefit of homeowners and mortgage companies; and

WHEREAS, Maintaining Philadelphia's Mortgage Foreclosure Program, if not expanding it, is the best way to help preserve neighborhoods, and prevent blight that might otherwise proliferate as a result of rampant mortgage foreclosures; now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby urges the First Judicial District to maintain and expand its nationally renowned Mortgage Foreclosure Diversion Program.

FURTHER RESOLVED, That a copy of this resolution be transmitted to the Honorable John W. Herron, Administrative Judge of the First Judicial District as evidence of the grave concern of this legislative body.

City of Philadelphia

RESOLUTION NO. 120264 continued

City of Philadelphia

RESOLUTION NO. 120264 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-ninth of March, 2012.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Jones, Tasco, Squilla, Blackwell and Quiñones Sánchez

Sponsored by: Councilmembers Jones, Tasco, Squilla, Blackwell, Quiñones Sánchez, Greenlee, Oh, O'Brien, Kenney, Henon, Council President Clarke, Councilmembers Goode, Johnson, Green, Reynolds Brown, Bass and O'Neill