



# City of Philadelphia

City Council  
Chief Clerk's Office  
402 City Hall  
Philadelphia, PA 19107

## Legislation Text

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Authorizing joint hearings by the Committees on Public Safety and Housing, Neighborhood Development and Homelessness to conduct hearings to evaluate strategies to mitigate improper mortgage foreclosures in Philadelphia.

WHEREAS, On October 6, 2015, a hearing was conducted on Resolution 150361 to explore numerous citizen complaints and allegations of improper mortgage foreclosures occurring in Philadelphia. Witnesses testified from virtually every Councilmanic district and stated they had lost their homes without receiving notice of court dates; and

WHEREAS, A cursory review of judicial records on mortgage foreclosures reveals that many default judgments are entered against a debtor or property owner without that debtor or property owner ever appearing in court; and

WHEREAS, Expert witnesses testified that subprime mortgage lending practices caused many mortgages to be bundled together and sold to investors as security instruments. This practice resulted in at least two problematic activities concerning real property: (1) transfers were not properly recorded; and (2) the conversion of a real estate mortgage into an investment instrument often separated the mortgage from the promissory note leaving in question the status of the repayment obligation thus giving creditors a motive for not providing notice of court dates to property owners; and

WHEREAS, Witnesses additionally reported that sometimes "reasonable attorneys fees" awarded by the court totaled more than the outstanding mortgage debt and predatory; and

WHEREAS, The following remedies were proposed as potential solutions to these concerns: (1) conduct an audit and analysis of all default and summary judgment decisions on mortgage foreclosure actions; (2) require members of the Mortgage Foreclosure Diversion Court Steering Committee to comply with a Code of Ethics; (3) shift the burden of proof to the plaintiff to submit evidence validating the debt upon filing mortgage complaints; (4) provide training on fair debt collection; and (5) establish a legal fee schedule for mortgage foreclosure actions to guide the court on reasonable attorney fees; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committees on Public Safety and Housing, Neighborhood Development and Homelessness shall be authorized to conduct joint hearings to evaluate strategies to mitigate improper mortgage foreclosures in Philadelphia.