



Legislation Text

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Authorizing City Council to commission an economic research study to develop indicators, processes, and tools which will allow Council to mitigate significant disruptions in the housing market related to predatory lending practices.

WHEREAS, Complex economic factors make it difficult to identify varying risk factors associated with disruptions in the housing market without a comprehensive econometric study to develop indicators; and

WHEREAS, Historical patterns of economic activity relative to the fluctuating rates of foreclosures may have some direct rate of correlation that can serve as a reliable predictor of pending disruptions in the housing markets of Philadelphia; and

WHEREAS, A disproportionate number of low to moderate income Philadelphia homeowners are overly exposed to adverse economic and market force conditions and disproportionately impacted, leading to, in most instances, the loss of their homes; and

WHEREAS, A substantial driver of this exposure is predatory, misleading and other related lending practices, which have led to great risk that families will lose their homes and face financial ruin; and

WHEREAS, It is in the interest of the City to minimize the dislocations caused by these predatory practices; and

WHEREAS, More families could retain their homes if these homeowners had sufficient time to respond and the City had tools to assist them in renegotiating affordable, reasonable mortgages; and

WHEREAS, A study that examines the relationship of foreclosures to external economic, market force and other relevant data, could provide tools that would better prepare City Council, the Office of the Sheriff and advocacy groups to identify conditions that lend themselves to the prevention of increased foreclosures; now therefore

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Is hereby authorized to commission an economic research study to develop indicators, processes, and tools which will allow Council to mitigate significant disruptions in the housing market related to predatory lending practices.