



City of Philadelphia

City Council
Chief Clerk's Office
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Philadelphia, PA 19107

Legislation Text

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Authorizing the Council Committee on Housing, Neighborhood Development and the Homeless to hold hearings on the problems of foreclosures in Philadelphia and the extent to which sub-prime mortgages contribute to this problem and further investigating the possibility of imposing a Moratorium on Sherriff's Sales on those foreclosures resulting from sub-prime mortgages, and other mechanisms for protecting homeowners from homelessness.

WHEREAS, Recent studies indicate that predatory lending, rising interest rates, unemployment, reduction in work hours, divorce and the lack of health insurance are closely associated with increased mortgage foreclosures; and

WHEREAS, According to a study conducted by The Reinvestment Fund, foreclosures are typically concentrated in areas with lower than average housing values, lower than average family incomes, and higher than average African American or Hispanic households; and

WHEREAS, The growth of subprime mortgage lending has led to record numbers of foreclosures nationally reaching into the middle class; and

WHEREAS, In the next 18 months over 2 million sub-prime Adjustable Rate Mortgages (ARMs) are scheduled to be reset, which will drive up the cost of the monthly payments beyond the reach of many homeowners; and

WHEREAS, Foreclosure negatively impacts the home values in the neighborhoods in which they exist; and

WHEREAS, Homeowners are increasingly vulnerable to unreasonable changes in Adjustable Rate Mortgages and fixed mortgage payments increase homeowner stability, now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby authorizes the Council Committee on Housing, Neighborhood Development and the Homeless to hold hearings on the problems of foreclosures in Philadelphia and the extent to which sub-prime mortgages contribute this problem and further investigating the possibility of imposing a Moratorium on Sherriff's Sales on those foreclosures resulting from sub-prime mortgages, and other mechanisms for protecting homeowners from homelessness.