



## **MEDIA ADVISORY**

July 3, 2008

# **PARKS, GARCETTI, DELGADILLO CALL ON COUNTRYWIDE TO INVESTIGATE ITS FORECLOSURE PRACTICES**

Los Angeles City Council President Eric Garcetti, Councilmember Bernard Parks, and City Attorney Rocky Delgadillo today called on Countrywide Bank to investigate its foreclosure practices to determine whether the bank and its agents are fully disclosing rights to tenants of foreclosed rental properties, as required by law.

“In the midst of this foreclosure crisis, we are doing everything we can to keep Los Angeles residents in their homes – including renters, who are truly innocent victims in this mess. Today we’re sending a message to all lenders and their agents. Los Angeles has laws designed to protect tenants’ rights and we are going to enforce them,” said Council President Garcetti.

“With the economy in the shape that it’s in, and gas prices on the rise, these renters can not afford to be hit with another sledge hammer,” said Councilmember Parks. “We are demanding that Countrywide take a good, hard look at its policy, stop breaking the law and stop taking advantage of tenants! They have had a big hand in this current foreclosure crisis, and it’s time they own up to it.”

Although most attention on the nation’s foreclosure crisis has focused on homeowners, it is also significantly impacting renters. Some tenants of foreclosed properties are pressured by banks or their agents to vacate without a full understanding of their rights as renters.

According to Los Angeles city laws, a change in building ownership due to foreclosure alone is not an adequate reason to evict a tenant and tenants must be notified of their rights in these situations. In the event that eviction is justified following a foreclosure, tenants are also entitled to a relocation fee in the minimum amount of \$6,810.

Garcetti and Parks made their announcement in front of a South Los Angeles duplex foreclosed by Countrywide. Following the foreclosure, the building’s tenants,

(more)

Cynthia Spears and Armenta Mallory, were pressured to vacate the building and offered a \$1,000 relocation fee – far lower than the minimum required by law. Garcetti and Parks also released a copy of a letter the tenants received from an agent of Countrywide urging them to vacate the property and offering the \$1,000 relocation fee. A copy of the letter is attached.

At the press conference, City Attorney Rocky Delgadillo announced that Countrywide's agent handling Spears' and Mallory's apartment building agreed to rescind their notice as well as four other notices it had served in the area. They are no longer pursuing evictions of these tenants.

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