

RESOLUTION

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED

#63

OCT 28 2008

WHEREAS, and official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state or federal government body or agency must have been first adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the current foreclosure crisis has caused cities to suffer financially with lower revenues, a spike in crime, and an increase in vacant properties leaving once thriving neighborhoods destabilized and neglected and the target of vandalism; and

WHEREAS, this crisis is considered to be the result of unscrupulous lending practices by lenders offering low rate subprime mortgages that have adjusted and resulting in households unable to pay; and

WHEREAS, the foreclosure crisis has deepened and shifted to households, who are unable to pay their primary mortgages and further exacerbating the symptom of this crisis; and


WHEREAS, the federal government has acted to address foreclosures by approving legislation to stabilize neighborhoods in the most affected cities with recently approved legislation such as the Neighborhood Stabilization Act (H.R. 3221) and the recent financial bailout (\$700 billion) for banks, which includes a provision to assist homeowners with foreclosure prevention services; and

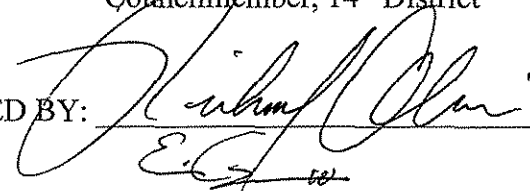
WHEREAS, several States and cities have taken a more aggressive stance against foreclosures by proposing a moratorium on foreclosures to allow households time to negotiate loan modifications with their lenders; and

WHEREAS, legislators have proposed a similar policy to temporarily postpone foreclosures for families making good faith efforts to pay their mortgage and negotiate with their lenders favorable repayment terms to allow them to keep their homes, and

WHEREAS, the City should support and/or sponsor legislation that would prevent homeowners from losing their homes to foreclosure including the establishment of a federal moratorium on foreclosures to allow banks to renegotiate loans with homeowners;

NOW, THEREFORE BE IT RESOLVED that with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2007-08 Federal Legislative Program SUPPORT and/or SPONSORHIP of legislation, and/or administrative action which would impose a moratorium on foreclosures for a limited time to allow banks to renegotiate loans with homeowners.

PRESENTED BY: 
JOSE HUIZAR
Councilmember, 14th District

SECONDED BY: 

OCT 28 2008

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08-2952

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