

JAN 16 2009

# RESOLUTION RULES & GOVERNMENT

WHEREAS, any 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 governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, 1 in 54 Americans received foreclosure notices last year and 2 million Americans lost their homes in foreclosure in 2008; and

WHEREAS, California had over 523,000 foreclosure filings last year; and

WHEREAS, the foreclosure crisis is affecting Angelenos at historic rates and destabilizing neighborhoods throughout the City; and

WHEREAS, Senate Bill 61 and its companion bill in the House, HR 200, were introduced on the floor of the Senate and House, respectively, on January 6, 2009; and

WHEREAS, the bills would allow bankruptcy judges to adjust the principal payments or interest rates on existing loans; and

WHEREAS, the bills would allow bankruptcy judges to extend the terms on mortgage loans; and

WHEREAS, the bills only affect existing mortgages and only major violations of the Truth in Lending Act would cause lenders to forfeit their claims in a bankruptcy; and

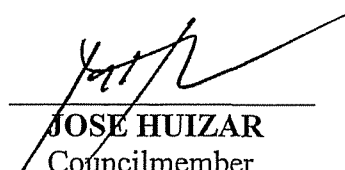
WHEREAS, homeowners would be required to certify that they tried to contact their mortgage lenders regarding loan modifications before filing bankruptcy; and

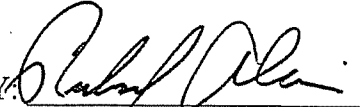
WHEREAS, on January 8, 2009, Citigroup agreed to support the legislation after threatening to oppose it; and

WHEREAS, other major banks are expected to support the legislation; and

WHEREAS, the bills would amend Title 11 of the U.S. Code with respect to modification of certain mortgages on principal residences, and for other purposes.

NOW THEREFORE BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2009-2010 Federal Legislative Program SUPPORT for S. 61 (Durbin) and HR 200 (Conyers), which seek to allow bankruptcy judges to adjust the principal payments or interest rates on existing loans.

PRESENTED BY:   
**JOSE HUIZAR**  
Councilmember  
14<sup>th</sup> District

SECONDED BY:   
**RICHARD ALARCON**  
Councilmember  
7<sup>th</sup> District

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