

RESOLUTION NO. 16-15

**RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA
DECLARING OUR INTENT TO COMMUNICATE WITH THE MAJOR OWNERS OF
DELINQUENT LOANS IN REGARD TO ENCOURAGING THEM TO SELL
DELINQUENT MORTGAGES TO NON-PROFITS FOR PURPOSE OF PRINCIPAL
REDUCTION ON BEHALF OF OUR STRUGGLING HOMEOWNERS**

WHEREAS, Since the beginning of the housing crisis in 2007, more than four million families have lost their homes to foreclosure, which has caused state and local governments to face crippling budget crises; and

WHEREAS, Richmond continues to face an estimated 15 foreclosures a month, or 180 for the year and has 4,141 homes that are underwater;

WHEREAS, Thousands of homeowners in our city are caught-up in predatory mortgages that will become unaffordable in the coming years; and

WHEREAS, Foreclosures have a negative social and economic impact on the affected families, neighborhoods, and our city as a whole; and

WHEREAS, HUD, Fannie Mae and Freddie Mac, and at times the big banks, are selling off pools of delinquent mortgages, most often to private equity firms, hedge funds, and other Wall Street entities; and

WHEREAS, Certain non-profits have raised the necessary capital to compete in this market, purchasing pools of delinquent mortgages for the purpose of saving homes from foreclosure and creating affordable housing; and

WHEREAS, at least several non-profits have a track record of success, and have the capital to expand, but need help getting current note holders to sell enough of their delinquent mortgages;

NOW THEREFORE BE IT RESOLVED, that the City of Richmond wishes to support this effort by using its position and authority to help prevail upon major owners/managers of delinquent mortgages – including a number of big banks, Fannie Mae, Freddie Mac and HUD – to sell them to one or more non-profits; and

BE IT FURTHER RESOLVED, that the City of Richmond will itself, and/or in collaboration with other cities, meet with these financial entities with the goal of encouraging them to sell more delinquent mortgages to qualified non-profits that have the funding and infrastructure to purchase, service, and hold the mortgages, and a track record doing so.

I hereby certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held on February 17, 2015, by the following vote:

AYES: Councilmembers Bates, Beckles, Martinez, McLaughlin, Vice Mayor Myrick, and Mayor Butt.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

DIANE HOLMES
CLERK OF THE CITY OF RICHMOND

(SEAL)

Approved:

TOM BUTT
Mayor

Approved as to form:

BRUCE GOODMILLER
City Attorney

State of California }
County of Contra Costa } : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 16-15**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on February 17, 2015.