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Prior of 09-0365

MAY 01 2012

HOUSING, COMM & ECON. DEVELOP.

MOTION

Managed by the Los Angeles Housing Department (LAHD), the Foreclosure Registry Program serves as a mechanism to protect residential neighborhoods from blight caused by the lack of adequate maintenance and security resulting from the foreclosure crisis. Any lender, beneficiary, or trustee who holds or has an interest in a deed of trust on a property in foreclosure must register the property with LAHD and remit an annual fee of \$155. This registration information is used to ensure that properties comply with code requirements and identifies a direct contact should property issues arise.

Under the current program, the registration requirement is satisfied and the fee waived if the lender, beneficiary, or trustee registers the property with the Mortgage Electronic Registration System (MERS). Created by the mortgage banking industry to provide an electronic system to streamline the mortgage process, MERS has proven to be an ineffective resource for the Foreclosure Registry Program. LAHD reports that the data reporting and search capabilities of MERS do not integrate well with the data collected by LAHD through the foreclosure registry. In order to provide LAHD with the best data possible used to prevent blight as a result of foreclosed properties, the Foreclosure Registry Program ordinance should be amended to remove the ability for lenders, beneficiaries, or trustees to opt out of the Foreclosure Registry registration requirement if they register with MERS.

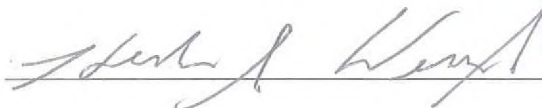
I THEREFORE MOVE that the City Attorney be requested to prepare and present an amendment to the Foreclosure Registry Program ordinance (181185) within 30 days that deletes the ability for lenders, beneficiaries, or trustees to opt out of the Foreclosure Registry Program registration requirement if they register with the Mortgage Electronic Registration System.

PRESENTED BY:



ERIC GARCETTI
Councilmember, 13th District

SECONDED BY:



ORIGINAL



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