

# RESOLUTION OF THE CITY COUNCIL

*No. 222*

**Approved March 6, 2018**

WHEREAS, In 2013 the Rhode Island General Assembly enacted, and the Governor signed into law, residential foreclosure mediation legislation which provided new protections to help struggling owner-occupants of 1 - 4 unit residential properties avoid foreclosure and remain in their homes (the "Foreclosure Mediation Act"); and

WHEREAS, Prior to the passage of the Foreclosure Mediation Act, Rhode Island had one of the least restrictive foreclosure processes in the nation, and lenders could proceed to foreclosure, without any court involvement, simply by providing certain notices to the homeowner of its intention to initiate foreclosure; and

WHEREAS, Due to the weaknesses in the state foreclosure statute, several municipalities adopted ordinances that provided protections to owner-occupants before foreclosure could occur; and

WHEREAS, In light of the success of these municipal ordinances, the Foreclosure Mediation Act was enacted in 2013, based on the municipal ordinances; and

WHEREAS, The Foreclosure Mediation Act required lenders to advise owner-occupant mortgagors of the availability of a "mortgage mediation process" before the lender could proceed to a non-judicial foreclosure; and

WHEREAS, The intent of the Foreclosure Mediation Act was to establish a formal process through which lenders and owner-occupant borrowers would participate in good faith to determine whether a viable and mutually agreeable alternative to foreclosure existed; and

WHEREAS, In order to establish a uniform, statewide mediation process, the Foreclosure Mediation Act pre-empted municipal ordinances dealing with this topic; and

WHEREAS, The Foreclosure Mediation Act is scheduled to expire on July 1, 2018, which would eliminate the foreclosure mediation process that facilitates a conversation between lenders and owner-occupant homeowners to explore alternatives to foreclosure; and

WHEREAS, Residential mortgage foreclosures, caused in part by an underperforming economy, unemployment and underemployment, and properties with negative equity, have negatively impacted a substantial number of residential properties in this community, which endangers the economic stability of the community and its residents; and

WHEREAS, While foreclosure rates have improved since the depths of the economic crisis, the percentage of Rhode Islanders facing foreclosure today is still four times higher than pre-crisis rates; and

WHEREAS, The Rhode Island General Assembly has and will be considering legislation to eliminate the expiration of the Foreclosure Mediation Act.

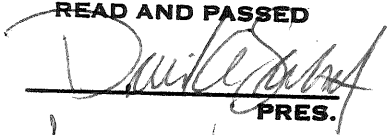
NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Providence places itself on record as supporting legislation to eliminate the expiration of the Foreclosure Mediation Act and urges the members of the General Assembly to support this legislation when it is brought to a vote.

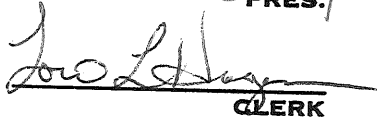
BE IT FURTHER RESOLVED, That, upon passage, copies of this resolution be sent to the Providence delegation to the General Assembly, the Honorable Speaker of the House, Nicholas A. Mattiello, the Honorable President of the Senate, Dominick J. Ruggerio, and Her Excellency, Governor Gina Raimondo, and to each municipality in Rhode Island requesting their support in favor of legislation to eliminate the expiration of the Foreclosure Mediation Act, and to support continued protections for owner-occupants to assist them in avoiding foreclosure and remain in their homes.

IN CITY COUNCIL

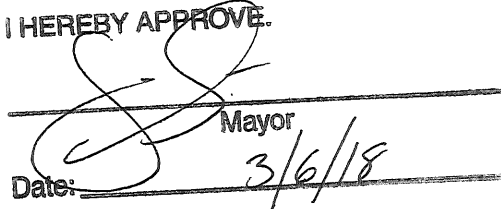
MAR 01 2018

READ AND PASSED

  
PRES.

  
CLERK

I HEREBY APPROVE.

  
Mayor  
Date: 3/6/18