


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 82055 C.M.S.

RESOLUTION IN SUPPORT OF SB 94 (CALDERON), A BILL TO REFORM MORTGAGE LENDING PRACTICES AND PROHIBIT FEE-FOR-SERVICE LOAN MODIFICATION SERVICES

WHEREAS, the City of Oakland has experienced a high rate of home mortgage foreclosures, and

WHEREAS, many borrowers who are finding it difficult to pay their mortgage are trying to avoid foreclosure and need assistance to refinance or obtain a loan modification; and

WHEREAS, vulnerable homeowners are taken in by for-profit companies that promise to save their homes, but do little since they have no control over the servicer's response to efforts to forestall foreclosure, if any effort is even made; and

WHEREAS, these companies offer fee for service loan modifications and often leave these families in financial ruin and heading to foreclosure; and

WHEREAS, non-profit housing counseling agencies with a mission to serve the interests of California homeowners have the expertise to negotiate loan workouts at no cost to the borrower; and

WHEREAS, Senator Ron Calderon has introduced Senate Bill 94, a bill that would prohibit persons from charging advance fees to borrowers in connection with a loan modification, and require those who wish to charge a fee for loan modification services (after performing them) to provide a specified notice to borrowers regarding other options available to the borrower; and prohibit servicers from imposing any interest or charge for performing services for borrowers in connection with loan modifications or other forms of loan forbearance or forgiveness; and prohibit any California Finance Lender Law licensee from making a false, deceptive, or misleading statement, representation, or omission in connection with their lending or brokering activities; now, therefore be it

RESOLVED: That the City Council of the City of Oakland hereby supports SB 94 (Calderon), a bill that will prohibit services claiming to help consumers obtain a loan modification from receiving up-front payment for their services unless they are a licensed real estate broker; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Administrator, and/or his designee, to work actively for the passage of SB 94.

IN COUNCIL, OAKLAND, CALIFORNIA, JUN 2 2009, 2009

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, ~~REID~~, AND PRESIDENT BRUNNER - 7

NOES - 0

ABSENT - Reid - 1

ABSTENTION - 0

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California