



DEPUTY CITY ATTORNEY

 FILED
 OFFICE OF THE CITY CLERK
 OAKLAND

2008 MAY 29 PM 7:51

OAKLAND CITY COUNCIL
 RESOLUTION NO. 81380 C. M. S.

INTRODUCED BY COUNCILMEMBER _____

RESOLUTION TO SUPPORT AB 2359 (JONES) TO PROHIBIT MORTGAGE LENDING TERMS THAT REQUIRE BORROWERS OF HIGH-COST, SUBPRIME AND NONTRADITIONAL LOANS TO WAIVE THEIR LEGAL RIGHTS, REMEDIES, OBLIGATIONS OR PROCEDURES, AND TO PROVIDE FOR ASSIGNEE LIABILITY FOR AFFIRMATIVE CLAIMS OR DEFENCES THAT A BORROWER COULD HAVE ASSERTED AGAINST THE ORIGINAL LENDER OF A HIGH-COST LOAN

WHEREAS, the City of Oakland has experienced a very high rate of home mortgage foreclosures, particularly for subprime and non-traditional loans; and

WHEREAS, many of the foreclosures have involved high-cost, subprime and nontraditional loans; and

WHEREAS, some of these loans contained provisions that required borrowers to waive certain rights and remedies they might have asserted against lenders; and

WHEREAS, these provisions limit the ability of borrowers at risk of foreclosure from bringing actions against lenders who may have engaged in deceptive or abusive practices; and

WHEREAS, in the absence of assignee liability, subsequent purchasers of high-cost loans have less incentive to ensure that the original loans were not based on deceptive or abusive practices or loan provisions; and

WHEREAS, Assemblyperson Dave Jones has introduced Assembly Bill 2359, which would prohibit lenders of high-cost, subprime and nontraditional loans from requiring borrower waivers of rights and remedies, and would extend assignee liability to subsequent purchasers of high-cost loans; now, therefore, be it

RESOLVED: That the City Council of the City of Oakland hereby supports AB 2359 (Jones) to provide greater protection for the rights of borrowers of high-cost, subprime and nontraditional mortgages and extend assignee liability to subsequent purchasers of high-cost loans; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Administrator, and/or her designee, to work actively for the passage of AB 2359.

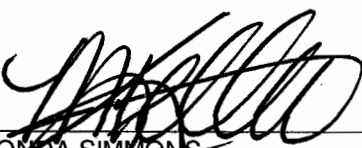
IN COUNCIL, OAKLAND, CALIFORNIA, JUN 17, 2008, 2008

PASSED BY THE FOLLOWING VOTE:

AYES - BRUNNER, BROOKS, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT DE LA FUENTE - 8

NOES - ϕ
ABSENT - ϕ
ABSTENTION - ϕ

ATTEST:



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