

Rybak, Glidden call on housing lenders to take responsibility for foreclosure impacts

Written by

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Mayor R.T. Rybak and Council Member Elizabeth Glidden issued a joint statement calling on housing lenders to take responsibility for foreclosure impacts.

“It has become sadly too common for us to see our neighbors losing their homes. This human tragedy is made worse when we forget the effect on families who feel lost in a sea of confusing red tape and bureaucratic hurdles. We must also remember that cities don’t foreclose homes; banks do. Increasingly, cities and municipalities are being expected to do things that they are not equipped to handle, either legally or financially.

Cities do not have the resources to provide private security for landlords, whether it’s Freddie Mac or any other mortgage holder. These lending institutions, public or private, cannot foreclose numerous properties and then just expect local police departments to manage the consequences.

Cities are also not set up to judge each individual potential foreclosure situation to determine how much mortgage terms should be adjusted to keep people in their homes – or foreclosed if that is not possible.

This is the work of the housing lenders. Only they have the necessary expertise and resources to deal with their mortgages and their foreclosures.

Their failure to do so harms cities and increases costs to city budgets across the nation. Their failure also affects neighbors. It diminishes livability, decreases values, and promotes blight.

We are increasingly concerned by the direct and indirect costs to our neighborhoods.

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We call on all housing lenders, both public and private, to accept full responsibility for managing foreclosed properties and for preventing foreclosures through broader and more aggressive actions.”