

Massachusetts Alliance Against Predatory Lending

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Dear Representative/Senator _____,
I urge you to support the following bills sponsored by MAAPL:

Tenant Protections in Foreclosed Properties:

Lead Sponsors: Rep. Malia, Sen. Chandler: HB1232/SB1609

This bill would enable tenants to pay rent and stay in their homes when a lender takes back a property through foreclosure. Lender-landlords who foreclose will not be able to evict residents unless they can show good reason. Otherwise, tenants (tenants, tenant-at-will, tenants-at-sufferance) can remain while paying rent and abiding by the standard rules of tenancies. Foreclosed properties currently average over 11 months on the market before re-sale. Our municipalities are scrambling to address numerous vacant and unsupervised properties, degrading neighborhoods and dropping property values. Buildings left vacant for months are targets for catastrophes such as burst pipes fire, vandalism, disrepair due to neglect. **This bill will keep people in their homes and help to stabilize neighborhoods during the current crisis.**

Judicial Foreclosures- Right To A Day in Court:

Lead Sponsors: Rep. Smizik, Sen Morrissey: HB1729/SB1778

This amendment to the foreclosure law will enable Massachusetts to join with 29 other states (including New York, Connecticut, South Carolina, and Kentucky) in *requiring that a court approve foreclosures*. Currently, even if a lender violates the law or makes an error in the amount owed, borrowers have no right to have a judge rule on whether a foreclosure is warranted. Massachusetts, a leader in protections for tenants, should provide *equal judicial process for homeowners* in danger of losing their homes. Many borrowers got mortgages through now defunct brokers. They must deal with large, out of state companies and hopeless bureaucracies, unable to find anyone with authority or willingness to renegotiate their loan.

Temporary Moratorium on Foreclosures:

Lead Sponsors: Rep Lantigua, Sen Montigny: HB1510/SB1751

This bill provides for a *6 month moratorium on foreclosures involving sub-prime and other "creative" mortgages instruments* that are presumptively unfair. It keeps homeowners from losing their homes while mandated negotiations by lenders and more comprehensive solutions are affected on either the federal or state level. Foreclosures not only devastate the borrowers who lose their homes, but also entire communities. They lead to lower property values, abandoned homes, less tax revenue, higher crime rates and the general destabilization of our neighborhoods. The moratorium will apply to sub-prime loans which unfairly lure borrowers with low introductory rates that increase dramatically; loans at 97% or more of house's value; interest only loans; loans with substantial prepayment penalties; interest only loans; loans that have high points, fees or interest in violation of the Massachusetts predatory loan law. In 1991, *the Massachusetts Legislature passed a similar moratorium* to help victims of home improvement loan scams. New York and New Jersey are among states now considering foreclosure moratoriums.

Massachusetts Foreclosure Mediation Program:

Lead Sponsor: Representative Pedone: HB4003

This amendment would provide that the mortgagor be offered the opportunity to participate in a court-supervised Foreclosure Mediation Program. In that program the mortgagor will have the opportunity to negotiate an agreement with the mortgagee. This would provide that a foreclosure shall not be initiated unless a good faith effort has been made by the mortgagor to review the borrower's financial situation and whenever feasible provide a loan modification or other option to assist the borrower.

Comments: _____

Name/Address: _____

Members of MAAPL: Action for Boston Community Development, Association for Community Organizing for Reform Now (ACORN), Action for Regional Equity, ARISE for Social Justice, Arlington Community Trabajando, Boston Tenants Coalition, Brazilian Women's Group, Carpenters local 40, Carpenters Local 107, Charles Hamilton Houston Institute For Race & Justice, Chelsea Collaborative, Chinese Progressive Association, City Life/Vida Urbana, Coalition for Social Justice, Community Economic Development Ctr of S.E. MA, Community Labor United, Dorchester People for Peace, Era Key Realty Services, ESAC, Fair Housing Center of Greater Boston, Greater Boston Legal Services, Greater Four Corners Action Coalition, Green-Rainbow Party of MA, Harvard Legal Aid Bureau, Homeowners Options for MA Elders, Jewish Alliance for Law and Social Action, Lawrence Community Works, Lawyers' Committee for Civil Rights Under Law, Mass Advocates for Children, Mass AFL-CIO, Mass Coalition for the Homeless, Mass Community Action Network, Massachusetts Fair Housing Center, Mass Jobs With Justice, Mass Law Reform Institute, Mass Welfare Rights Union, Merrimack Valley Labor Council, NAACP N.E. Area Council, National Community Reinvestment Coalition, National Consumer Law Center, National Lawyers Guild, Neighbor-to-Neighbor, Neighborhood Legal Services, North Shore Labor Council, Organization for a New Equality, Painters District Council 35, Pleasant St. Neighborhood Network Center, Southbridge Community Connections, Survivors Inc., Tri-County Community Action Program, UE Northeast Region, United Auto Workers Mass CAP, United For a Fair Economy, Union of Minority Neighborhoods, United Steel Workers Local 5696, Volunteer Lawyers Project,

maaplinfo@yahoo.com

www.MAAPL.info

Legislative Contacts: Grace Ross, 617-291-5591

Debra Silva, MLRI, 617-357-0700 x 340

**PLEASE SEND COMPLETED CARDS to the National Lawyers Guild Office:
14 Beacon St. Suite 407, Boston MA 02108 or Fax: 617-227-5495 Attn: Lori Hill**