

MACDC's Campaign for Our Neighborhoods

Enact the New Foreclosure Prevention Law

Foreclosures continue to decimate families and neighborhoods across the state

The foreclosure crisis continues to dramatically impact homeowners, tenants, neighborhoods and the state's overall economic health:

- Foreclosure filings jumped to almost 28,000 in 2009, a 28% increase from 2008.
- Foreclosure deeds increased in January, 2010 to 1,061, the highest amount in the month of January since the foreclosure crisis began in 2006, and auction announcements surged to 2,385, an increase of 81% from January of 2009.
- More than half of foreclosed units in Massachusetts are in multifamily properties, meaning that tenants often face eviction when the property owner is foreclosed upon
- Tenants and local governments often cannot hold the new owner in a foreclosure accountable for the property condition, because they don't know who owns the property
- Nonprofits face imposing financial challenges in trying to acquire and renovate foreclosed housing in their neighborhood

(Source: The Warren Group)

MACDC thanks the legislature for passing *An Act Relative to Stabilizing Communities* (S. 2407 – HWM Redraft)

In November, 2007 Massachusetts passed Chapter 206, *An Act Preserving and Protecting Homeownership*. This law is a good first step in the battle against foreclosures- through its support for foreclosure prevention counseling and new consumer protections. Let's take the next step in combating foreclosure's relentless assault on neighborhoods: *An Act Relative to Stabilizing Communities* (H. 4595 & S.2407) sponsored by Senator Susan Tucker and Representative Kevin Honan, will:

- Provide eviction protections to tenants in foreclosed properties who are in good standing.
- Require lenders to provide homeowners with 150 days to cure a delinquency, and criminalize mortgage fraud.
- Encourage redevelopment by providing a local option to exclude nonprofits from property taxes if they acquire foreclosed properties to provide affordable housing.

The bill unanimously passed the House and Senate and awaits the Governor's signature.



MASSACHUSETTS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

15 Court Square, 6th Floor | Boston, MA 02108
tel: 617.426.0303 | fax: 617.426.0344 | www.macdc.org

For more information contact Allison Staton at 617/426-0303 Ext. 24 or allisons@macdc.org

Updated: August 4, 2010