

City bill seeks more time between foreclosures, evictions

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1:37 PM EST, February 23, 2009



City Council members Bill Henry, left, and Mary Pat Clarke, center, introduced legislation to change the length of foreclosure notices. (Baltimore Sun photo by Algerina Perna / February 23, 2009)

Two Baltimore City Council members want to extend the time between foreclosure to eviction from 14 days to 365 days as a means to encourage lenders to negotiate with homeowners who are falling behind on loan payments.

The Obama administration is providing financial incentives for mortgage backers to change loans for homeowners, but it's going to take time for all those loans to be renegotiated, said Councilwoman Mary Pat Clarke, who held a news conference with Councilman Bill Henry and advocates this morning.

"We need to buy time for people to negotiate modified mortgages," she said.

Henry described foreclosed homes as "starter homes of blight," leaving them open to squatters, drug use and vandalism and thus decreasing property values in neighborhoods.

"It is really in everybody's best interest" to keep homes occupied, he said. "The alternative is worse for everybody."

Robert J. Strupp, director of research and policy for the Community Law Center, who helped author the legislation, said the city bill dovetails with the Obama proposal, which calls for lowering interest rates, extending the life of loans and other incentives. Details will be released next week, he said.

Knowing it will take longer before residents must vacate will encourage lenders to avoid foreclosure in the first place, he said.

"You've got time now. You might as well try," Strupp said.

No representatives of the banking or mortgage industries attended the event, so it is not yet clear how they will react to the proposal.