

Summary of Foreclosure Prevention and Mitigation Legislation (More to come)

Maintenance of Properties Before and After Foreclosure- Legislation would require that before a home can be foreclosed upon, banks would be required to abate any potential nuisances, a spur to preserving community values and encouraging. Requiring new owners to upkeep foreclosed property will contain the effects of the subprime foreclosure crisis since lack of upkeep on foreclosed homes brings down the appearance and property values in the surrounding area. Upkeep requirements and penalties can offset this burden on communities.

Notice to Tenants of Foreclosure- Legislation would require that tenants and others with interests in any building would have to receive notice of any pending foreclosure action. They would be given notice and greater protection from summary eviction with greater due process.

Right to Rent after Foreclosure- Instead of foreclosure leading to millions of vacant properties, this legislation would allow homeowners facing foreclosure the option of renting their home at fair market rate. People facing foreclosure would be allowed to stay on as renters even if the foreclosure goes through, helping them keep a roof over their head as renters. The proposal requires no tax payer dollars, but would help preserve communities by keeping community members in their homes as long-term renters.

Whistleblower Protection: Legislation would protect the employees of financial institutions from retaliation when they reveal criminal or unethical conduct by their employers, which can help bring predatory practices to light. Statutory protection against retaliation for workers who file administrative or legal complaints, or testify in an administrative or legal proceeding regarding prohibited practices by the employer, are essential to bringing these practices to light. States can also empower workers to resist pressure to engage in illegal or unethical conduct by giving workers specific protection when they refuse to “participate in, any activity, policy, practice, or assigned task that the employee reasonably believed to be in violation of any law, rule, or regulation, or to be unfair, deceptive, or abusive and likely to cause specific and substantial injury to one or more consumers.” This will empower the employee to stop the bad practice right away by refusing to cooperate, instead of having to wait until they made an official complaint to receive whistleblower protection.