

PRESERVING COMMUNITIES

Focus on Foreclosures

Addressing current issues relating to housing and homeownership

www.shra.org

October 2008



Tenants' Rights in Foreclosed On Properties

Renters' rights are protected even in a foreclosure process. Here are some things you should know:

Right to Eviction Notice

- Good cause is usually required in rent controlled jurisdictions
- 60-day notice is required minimum time period
- 90-day notice if a Section 8 recipient

Right to Utility Service

The new property owner must maintain your utility service, even if it is the bank that foreclosed. If the new owner does not do so, contact your local legal services office.

No Lock-Outs

It is illegal in California to change a tenant's locks without a court order. To get a court order, the property owner must take the renter through the formal eviction process.

Formal Eviction Process

The property owner must serve the renter with a written notice (see above), and then must file a Summons and Complaint with the court and serve a copy on the renter. The renter then has 5 days to respond in writing and file the response with the court.

(Sometimes you have more time to respond—immediately contact your local legal aid office for help and to determine how long you have to respond.) You are entitled to a trial.

Know Who You Are Talking To

Whoever knocks on your door or sends you a notice asking for rent, might not be the new owner. Make sure they provide you with proof. Ask for a copy of a recorded Deed of Trust. You should also go yourself to the county recorder's office to double-check on who the new owner is.

Source: Housing and Economic Recovery Advocates (HERACA.org)

Local counseling agencies offer free mortgage default and foreclosure information

Sacramento Housing and Redevelopment Agency (SHRA), in conjunction with the Sacramento Regional Partners in Homeownership, is working with HUD-certified counselors, local lenders and real estate brokers to provide outreach and resources to assist, educate, and inform homeowners facing the loss of their home and to preserve homeownership.

Below is a list of upcoming opportunities for homeowners to obtain information on foreclosure and mortgage default. Foreclosure education, resource information and dates for scheduled workshops are available at www.shra.org.

COMMUNITY WORKSHOPS

Free Foreclosure Counseling

Sponsored by ACORN Housing Corporation

Saturday, October 25 and November 22, 2008

10 a.m. – 2:30 p.m.

Southgate Library

6132 66th Avenue, Sacramento

(916) 451-9659

Foreclosure Workshop

Sponsored by City of West Sacramento

Wednesday, October 29

6:30 p.m. – 8:30 p.m.

West Sacramento Civic Center

1110 West Capitol Ave., West Sacramento, CA 95691.

To register, call the Home Loan Counseling Center

(916) 646-2005

Foreclosure Prevention Seminars (English & Spanish)

Sponsored by NeighborWorks HomeOwnership Center

Thursdays from 11:30 a.m. to 1:30 p.m. & 6-8 p.m.

2400 Alhambra Boulevard, Sacramento

Pre-registration required at nwsac.org

Free webinars and workshops on alternatives to foreclosure

Sponsored by ByDesign Financial Solutions

(800) 750-2227 or www.bydesignsolutions.org

SHRA to propose plan for federal Neighborhood Stabilization Program funds

SHRA will provide a foreclosure report to the Board of Supervisors and City Council on October 21. The report will summarize activities undertaken to date as well as detailing the programs being developed to utilize new federal Neighborhood Stabilization Program (NSP) funds made available to implement solutions to the foreclosure crisis. The NSP funds were authorized with the passage of the Housing and Economic Recovery Act of 2008 (HERA) on July 27, 2008.

HERA provided \$3.9 billion to HUD under the NSP for new one-time Community Development Block Grant (CDBG) assistance to states and local governments heavily impacted by foreclosures. California will receive about \$500 billion and the City and County of Sacramento will receive \$31.8 million.

SHRA is recommending three approaches to address the impacts of foreclosure in the community to be implemented in January 2009:

1. Vacant Properties Program
2. Block Acquisition and Rehabilitation Program
3. Property Recycling Entity

SHRA staff is conducting informational outreach efforts in October and November with community stakeholders including:

- Sacramento Housing Alliance
- Sacramento Association of Realtors
- Sacramento Regional Partnership
- Redevelopment Advisory Committees (Oak Park, North Sacramento, Del Paso Heights)
- Meadowview Development Committee
- North Highlands Visioning Group

HERA funds also support other programs on the national, state and local level. Nationally, starting October 1, FHA will insure an additional \$300 billion in new loans under the Hope for Homeowners program which is estimated to help 400,000 owner occupants trapped in mortgages they currently cannot afford. HERA supported state programs by providing additional funding for Mortgage Revenue Bonds (MRBs). California is scheduled to receive \$1.14 billion in MRB funding. A recent U.S. Department of the Treasury Notice authorized the conversion of MRB funds to Mortgage Credit Certificates (MCCs), which are a more viable local tool. Sacramento's share of MRB funds is approximately \$17 million which can be converted to MCCs and provided to local homebuyers directly.

Joint Agency effort aims to partner with lenders to address foreclosed properties

The District Attorney and SHRA hosted a meeting on September 10 with several major lending institutions to discuss opportunities for partnerships to address the impact of foreclosed properties on Sacramento's neighborhoods. Leveraging resources through effective partnerships ensures that properties are adequately maintained and more quickly returned to re-occupancy and homeownership.

The discussion focused on roadblocks facing lenders and property managers in maintaining and returning properties to occupancy, local initiatives to revitalize impacted neighborhoods, and legal responsibilities of those who own and manage property.

Discussions with lenders continue and a follow up meeting sponsored by the Federal Reserve Bank of San Francisco is being planned in response to the federal Neighborhood Stabilization Program.

WHO'S INVOLVED

Sacramento District Attorney, City Attorney, SHRA, City and County Code Enforcement, County Assessor, State and local elected officials' offices, neighboring cities in Sacramento County, Wells Fargo Bank, Bank of America/Countrywide, Chase, and HSBC.

REPORT FRAUD

Federal Fraud Hotline (800) 437-2838
California Attorney General's Office (866) 275-2677

HUD APPROVED COUNSELING CENTERS

Home Loan Counseling Center of Sacramento

(916) 646-2005

NeighborWorks Homeownership Center

(916) 452-5356 ext. 229

ByDesign Financial Solutions

1 (800) 750-2227

Senior Legal Hotline-Legal Services of No. California

(916) 551-2140

Acorn Housing Corporation

(916) 451-9659

Sacramento Mutual Housing Association

(916) 453-8400 ext 43

