



Legislation Details (With Text)

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Title: Resolution Approving Updates to City Housing Loan Delinquency Policies
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Attachments: 1. Housing Loan Delinquency Policies 2017.pdf, 2. 17-0494 Resolution for Updates to City Housing Loan Delinquency Policies 2017

Date	Ver.	Action By	Action	Result
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Resolution Approving Updates to City Housing Loan Delinquency Policies

Department: Neighborhood Development
Council District: All

Public Hearing: No
Advertising Date/By:

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Contact 2 and Phone: Cynthia Blue, Housing Services Division Manager, 336-433-7376

PURPOSE:

City Council consideration is requested for an update to the City's Housing Loan Delinquency Policies for implementation in fiscal year 2017-2018.

BACKGROUND:

The City operates various housing and development loan programs which include both deferred and payable loans. Prior loan management policies did not include a full set of options for delinquency management. This update to the City's Housing Loan Delinquency Policies includes tools which will allow our loan specialists to work with borrowers to reach an optimal solution for their loan obligations. Additions include payment plans, re-amortizations, loan modifications, short sale, and foreclosure policies. In many cases the City is in a junior lien position and having tools other than foreclosure available can achieve a better resolution.

The City's Loan Committee, made up of representatives from Real Estate, Finance, City Attorney's Office, Fair Housing, and Neighborhood Development departments, is the administrative body that reviews and recommends housing loans for City Council approval. The Loan Committee will also review the proposed individual loan modifications before recommending Council approval.

The City has contracted with outside counsel to provide legal assistance with foreclosures in cases where property owners are in default of their loan terms, have abandoned the property, are facing code compliance

actions or tax foreclosure, or we are unable to reach another satisfactory resolution for their loan obligations. City Council is asked to designate the City Manager, or his designee, for negotiating the terms of a foreclosure sale including establishing a foreclosure bid amount, accepting a higher offer bid, and authorizing any necessary loan value write-off.

BUDGET IMPACT:

Updates to City's Loan Delinquency Policies only - no budget impact.

RECOMMENDATION / ACTION REQUESTED:

City Council is requested to approve the updates to the City's Housing Loan Delinquency Policies for implementation in the 2017-2018 fiscal year and to designate the City Manager, or designee, for negotiating the terms of a foreclosure.