RESOLUTION
By Glidden

Calling on Fannie Mae, Freddie Mac and the Federal Housing Finance Authority to Provide Data on the Number and Status of Delinquent Loans in Minneapolis, to Not Sell-Off any Delinquent Mortgages in the City and to Engage in Dialogue with the City About Opportunities to Have these Mortgages Sold to Organizations For Purpose of Foreclosure Prevention

Whereas, the housing crisis resulted in approximately 5 million mortgage foreclosures of residential housing throughout the country and more than 12,000 foreclosures in the City of Minneapolis during the peak of the foreclosure crisis (2007-2011); and

Whereas, the foreclosures have resulted in disinvestment in neighborhoods having a large concentration of foreclosures; and

Whereas, the high incidence of foreclosures have been linked to an increase in conversions of single family homes from owner-occupied to rental; and

Whereas, persons displaced by foreclosures are facing a scarcity of affordable housing; and

Whereas, federal agencies such as Fannie Mae and Freddie Mac, have been selling pools of delinquent mortgages to bidders of whom most are private investment firms; and

Whereas, Fannie Mae's sale of delinquent mortgages or non-performing loans (NPL) are intended to reduce the number of it seriously delinquent loans that it owns, and stabilize neighborhoods; and

Whereas, the sales have in such cities as Seattle, Richmond (California), East Orange (New Jersey) and Philadelphia have resulted in a reduction in affordable housing and the conversion of owner-occupied homes to rental units; and

Whereas, Fannie Mae has conducted three sales in 2015 and one in 2016 of Non Performing Loans totaling 20,400 loans that have an unpaid principal balance of over $4 billion and netted approximately 75% of the unpaid principal; and

Whereas, Fannie Mae in 2015 and 2016 conducted two Community Impact Pool sales of NPLs totaling 123 loans that have an unpaid balance of $23.2 million and were geographically focused; and

Whereas, the Community Impact Pool is structured to attract nonprofit, small investors and minority and women owned businesses; and

Whereas, the Twin Cities Metropolitan area has an active and engaged community of non-profit housing development and community development financial institutions; and

Whereas, the City of Minneapolis is committed to obtaining information regarding delinquent mortgages held by the federal agencies in the city and working with its partners to develop creative solutions to prevent foreclosures and owner to rental conversions; and

Now, Therefore Be It Resolved, that the City of Minneapolis requests that the Federal Housing Finance Agency and the U.S. Department of Urban Development provide the city with information regarding the number and location of delinquent mortgages held in the city; and

Be It Further Resolved, that the City of Minneapolis urges the federal agencies to expand the Community Impact Pool program so that a larger portion of non-performing loans can be made available to public and non-profit agencies as part of neighborhood revitalization strategy and continue to require purchasers of the nonperforming loans to offer loan modifications to borrowers and when necessary, property sales to owner occupants and non-profit must be prioritized; and

Be It Further Resolved, that the City of Minneapolis urges the federal agencies to not sell off any mortgages in the city, to investors until we have worked together to attempt the sale of these precious housing assets to mission-driven non-profits and financial institutions.