

agencies.

- Foreclosure actions would stop while work outs are in process
- Until such an agreement can be negotiated the city should institute a moratorium on Sheriff's Sales to protect homeowners and property values in our neighborhoods.

Without this public private partnership we think that large numbers of homes will be lost to foreclosure devastating families and leading to large scale abandonment of properties in many Philadelphia neighborhoods, to say nothing of losses to lenders and investors. Servicers will not be able to keep up with the numbers of loan modifications and workouts needed in the next few years in Philadelphia.

Philadelphia Foreclosure Crisis Committee
Philadelphia Unemployment Project
ACORN
Community Legal Services
Philadelphia Legal Assistance

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 080095)

RESOLUTION

Authorizing the Council Committee on Housing, Neighborhood Development and the Homeless to hold hearings on the problems of foreclosures in Philadelphia and the extent to which sub-prime mortgages contribute to this problem and further investigating the possibility of imposing a Moratorium on Sherriff's Sales on those foreclosures resulting from sub-prime mortgages, and other mechanisms for protecting homeowners from homelessness.

WHEREAS, Recent studies indicate that predatory lending, rising interest rates, unemployment, reduction in work hours, divorce and the lack of health insurance are closely associated with increased mortgage foreclosures; and

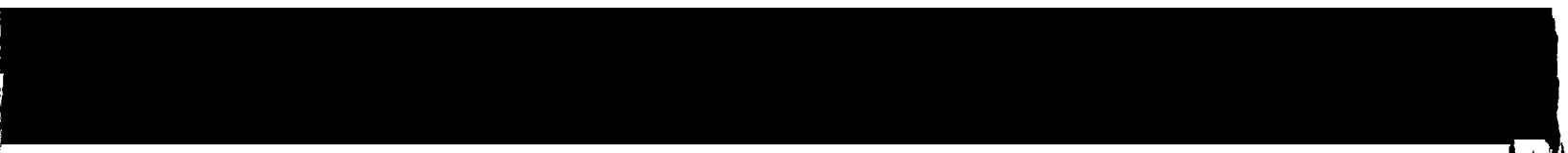
WHEREAS, According to a study conducted by The Reinvestment Fund, foreclosures are typically concentrated in areas with lower than average housing values, lower than average family incomes, and higher than average African American or Hispanic households; and

WHEREAS, The growth of subprime mortgage lending has led to record numbers of foreclosures nationally reaching into the middle class; and

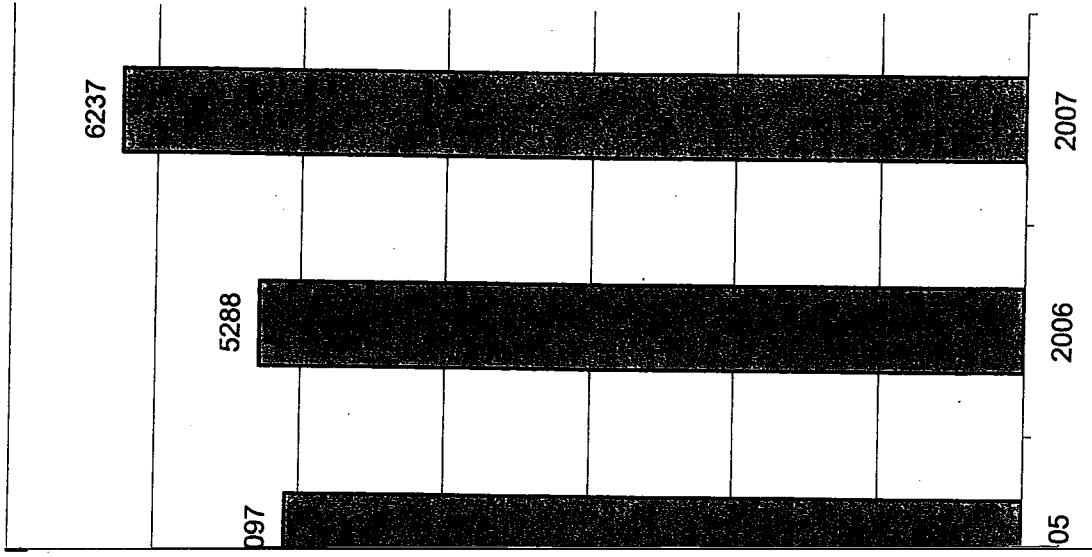
WHEREAS, In the next 18 months over 2 million sub-prime Adjustable Rate Mortgages (ARMs) are scheduled to be reset, which will drive up the cost of the monthly payments beyond the reach of many homeowners; and

WHEREAS, Foreclosure negatively impacts the home values in the neighborhoods in which they exist; and

WHEREAS, Homeowners are increasingly vulnerable to unreasonable changes in Adjustable Rate Mortgages and fixed mortgage payments increase homeowner stability, now therefore



from homelessness.



**Philadelphia Neighborhoods with High Concentrations of Subprime Loans
2005**

Neighborhood	Number of Loans:	Number of Subprime Loans:	% of Subprime Loans:
Allegheny West	210	87	41.4%
Cedarbrook/Stenton	1447	634	43.8%
Eastwick	599	274	45.7%
Fairhill	73	35	47.9%
Frankford	1034	449	43.4%
Germantown	531	201	37.9%
E. Germantown	530	277	52.3%
Gray's Ferry	105	39	37.1%
Hunting Park	143	73	51%
Kingsessing	311	169	54.3%
Lawncrest	1581	570	36.1%
Logan/Ogontz/Fern Rock	854	446	52.2%
Mantua	149	53	35.6%
North Philadelphia/West	488	188	38.5%
Oak Lane/East Oak Lane	618	240	38.8%
Olney	983	433	44%
Overbrook	1255	574	45.7%
Point Breeze	416	171	41.1%
Southwest Philadelphia	605	303	50.1%
Tacony/Wissinoming	1636	589	36%
Tioga/Nicetown	210	99	47.1%
West Oak Lane	667	358	53.7%
West Philadelphia/Cobbs Creek	791	375	47.4%
West Philadelphia/Parkside	738	389	52.7%
Wynnefield	442	176	39.8%