

1 By Supervisor Holloway

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3 **A RESOLUTION**

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5 in support of State Legislation to ensure that all of the proceeds from the National  
6 Mortgage Foreclosure Settlement are used for foreclosure relief purposes

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8 WHEREAS, after many months of negotiation, 49 state attorneys general and the  
9 federal government recently reached an agreement on a joint state-federal settlement  
10 with the country's five largest mortgage loan servicers; and

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12 WHEREAS, according to the National Mortgage Settlement website, the  
13 settlement amount is for approximately \$25 billion, with approximately \$2.5 billion  
14 earmarked for states, including approximately \$140 million for Wisconsin; and

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16 WHEREAS, in addition to the monetary allocations, the settlement will require  
17 comprehensive reforms of mortgage loan servicing from consumer response to  
18 foreclosure documentation; and

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20 WHEREAS, the agreement will also enable hundreds of thousands of distressed  
21 homeowners to stay in their homes through enhanced loan modifications; and

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23 WHEREAS, the Wisconsin Attorney General and Governor recently announced  
24 that the monetary benefits to Wisconsin will include:

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- 26 • Up to an estimated \$60 million in benefits from loan term modifications
  - 27 and other direct relief.
  - 28 • Approximately \$17.2 million in uniform payments of up to \$2,000 for
  - 29 eligible Wisconsin borrowers who lost their home to foreclosure from
  - 30 January 1, 2008, through December 31, 2011, and suffered servicing
  - 31 abuses.
  - 32 • Approximately \$31.3 million in refinancing benefits for eligible borrowers
  - 33 who are currently making payments but owe more than their home is
  - 34 worth.
  - 35 • Payment to the State of approximately \$31.6 million that may be used for
  - 36 compensation to the State, future law enforcement efforts, additional relief
  - 37 to borrowers, civil penalties and/or funding of foreclosure relief and
  - 38 mitigation programs.

39  
40 ; and

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42 WHEREAS, the Governor and Attorney General announced that \$25.6 million of  
43 the \$140 million earmarked for the State of Wisconsin would be used to fill a state  
44 budget gap and therefore would not be directly used for the purpose for which it was  
45 awarded; and

46           WHEREAS, in the City of Milwaukee alone, there are 4,800 vacant and  
47 abandoned properties and scores of other distressed homeowners that would directly  
48 benefit from the proceeds from the settlement; and  
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50           WHEREAS, several State legislators, including Representatives Grigsby and  
51 Mason, have sponsored the Foreclosure Aid, Integrity and Relief (FAIR) Act that would  
52 allocate the \$25.6 million initially earmarked for budget relief by the Governor and State  
53 Attorney General to programs that would directly benefit people who have been  
54 adversely impacted by the national mortgage foreclosure crisis; and  
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56           WHEREAS, Milwaukee County taxpayers benefit with fewer home foreclosures,  
57 which results in fewer adults and children facing homelessness and needing other  
58 public assistance; now, therefore,  
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60           BE IT RESOLVED, that the Milwaukee County Board of Supervisors does hereby  
61 support the Foreclosure Aid, Integrity and Relief (FAIR) Act and any similar legislation that  
62 would ensure that all of the National Mortgage Settlement proceeds are reviewed by the  
63 Legislature and allocated to programs and services that directly benefit the people that  
64 have been adversely impacted by the national mortgage foreclosure crisis; and  
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66           BE IT FURTHER RESOLVED, that the Director of Intergovernmental Relations is  
67 authorized and directed to communicate Milwaukee County's position to State  
68 policymakers, including the State Attorney General, U.S. Attorney General, and others that  
69 may be helpful in supporting this legislation.