

Legislators and interest groups lobbying for bills to deal with housing crisis

By Lane Lambert
The Patriot Ledger

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QUINCY — The Massachusetts housing crisis is beginning 2011 where it ended in 2010 — as a dominant concern for residents and lawmakers alike.

As lenders continue to file more than 1,000 foreclosure petitions a month, state officials have planned a series of public comments on a 2010 law meant to protect homeowners and renters, while housing and consumer advocates were set to rally Tuesday at the State House to publicize several bills aimed at extending that protection.

At the same time, two South Shore legislators say they'll be filing bills of their own later this week. Rep. Thomas Calter, D-Kingston, wants foreclosure proceedings to go through court analysis. In his first bill filing, rookie Rep. Geoff Diehl, R-Whitman, will seek added mortgage refinancing access for homeowners in some situations.

"People are doing the best they can," Calter said. "They need a level of protection that current law doesn't give them."

"It all boils down to making sure the (housing) market settles down," said Diehl, who started his rookie term two weeks ago.

One of the bills, supported by the Massachusetts Alliance Against Predatory Lending, would require banks and other lenders to show they hold mortgages and thus have standing to start a foreclosure. Another would require mediation for mortgage modifications.

All these actions come in the wake of a potentially wide-ranging decision by the state's highest court, which ruled Jan. 7 that lenders like Wells Fargo must prove they hold title to mortgages before they can start foreclosure proceedings.

In that case, U.S. Bank National Association v. Antonio Ibanez, the Supreme Judicial Court invalidated two Springfield foreclosure sales because of sloppy record keeping by U.S. Bank National Association and Wells Fargo Bank.

"The legal principles and requirements we set forth are well established in our case law and our statutes. All that has changed in the plaintiffs' apparent failure to abide by those principles and requirements in the rush to sell mortgage-backed securities," Justice Ralph Gants wrote for the court.

The law passed last year extends the cooling-off time before foreclosure filings from 90 days to 150 days, so homeowners will have two more months to negotiate a mortgage modification. It also provides more protection for tenants in foreclosed rental properties, so they can't be evicted without cause.

South Shore legislators are divided on the need for further mortgage-related legislation.

Calter said dozens of calls from constituents have convinced him that large banks and lenders still aren't being held fully accountable for their role in the problem. Rep. James Cantwell, D-Marshfield, says more could be done to streamline loan modification for owners "who have shown they have the ability to stay in their homes."

"They still need greater sensitivity to what's been going on in middle-class America," Cantwell said of large lenders. "They need to work with people."

But Sen. Robert Hedlund, R-Weymouth, said state and federal legislation enacted since 2009 is sufficient.

"You don't want to make things more unwieldy than they need to be," he said.

Diehl's bill is more specific. It would allow some first-time home buyers to qualify for lower refinance rates if they've lost household income but haven't missed mortgage payments. The provision would end when the economy recovers and the housing crisis ends.

"We're leading the nation in the recovery, but we're not out of the woods," Diehl said.

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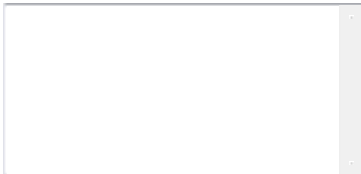
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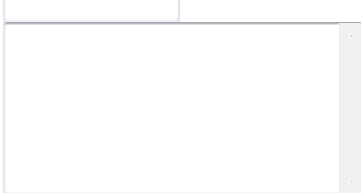
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I wish I bought my dream home that was way far out of my financial reach back when I bought what I could afford. The government and lobbyists are desperate to keep people in homes they never could've afforded because it's The Big Bad Banks fault they got into this mess. I have a hard time drumming up sympathy when they get foreclosed on. Job Loss - Sure. I feel horrible, the economy sucks right now. But getting evicted because you bought way too much house with a mortgage you didn't understand? That's YOUR fault, not the banks.

John-Gault
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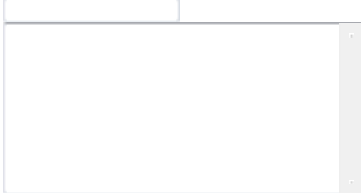
The House of cards that is currently the mortgage company De jour should not be allowed to foreclose on people homes without clear and legal proof that they are the legitimate title holders of the Mortgages. Even if these mortgage were given to dead beats in the first place. If the people working for the mortgage companies who wrote these deals got it wrong from the beginning the home owners should not have to live with the mistakes that were made by the mortgage holders. Companies trying to foreclose should have to prove they have legitimate ownership and foreclosure rights even if they have to track it all the way back to the original deal and prove that all the T's were crossed and the I's were dotted.

SS47

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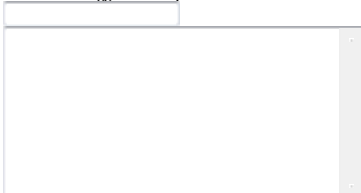
I think a portion of your salary should go directly toward housing, we force people to pay into social security why not force them into paying for housing.

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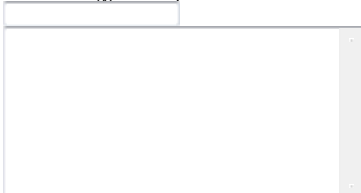
Say a kid starts working at 16, by the time he was ready to purchase a home he would have a decent down-payment.

wildcat

2 days ago

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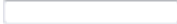
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Hey Gault, Am I paying for your mortgage? You say banks should have legitimate proof of ownership, I agree, but we certainly know the squatters don't have ownership, only delinquency. We won't have a housing or economic recovery until all the squatters are foreclosed upon. If you can't pay your mortgage because you bought too much house or your interest rate has gone up then you lose.. I don't want to get stuck paying for your mortgage. Banks need to figure out the proper paperwork and should speed up the process not slow it down. Modification of squatters interest rates does not work, ultimately the squatters still default, most only a couple months after being modified. Obama has only made the problem worse by 'kicking the can down the road' and has created an 'entitlement mentality.

John-Gault
2 days ago

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Hey Wildcat. Many of the mortgages have changed hands so many times there is a real question as to just who has the right to collect. Even if the home owners are complete deadbeats and many of them are it doesn't change the fact that some of the people involved in these deals were slipshod in the way they prepared and followed up with the loans. The homeowners would be stupid to not question these transactions or try to take advantage of any loopholes. The recent Supreme court case was about following proper procedures before foreclosure. Just because a lender hands you a piece of paper saying they are foreclosing on you doesn't mean they have a legitimate right to. If a cop gave you a speeding ticket and you thought you could prove there was something wrong with their equipment wouldn't you try to use that in your defense? Even if the squatters as you call them eventually do default you are making a pretty broad brush comment and it points to a guilty until proven innocent mind set on your part.

sean39

2 days ago

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wildcat. i was going to comment but you hit all the right points. well said.

wildcat

2 days ago

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Fine, all I'm saying is the banks need to file the proper paperwork and move to foreclose. We can't keep putting off the inevitable. I'm tired of paying for my neighbors mortgage and I'm tired of the equity in my house (that I've been paying for 22 years) dissolving because of liars, deadbeats,cheaters and thieves.

JCR

1 day ago

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I think that having the banks check in with a Judge first before going on with proceedings isn't a bad idea and giving the home owner a chance to renegotiate the load will be beneficial.

That being said, it won't fix the underlying issue of how this mess got started in the first place, and more important will this new burden on the court system cost us the tax payer?

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