

Massachusetts Alliance Against Predatory Lending

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Homeowners scared that legislature may end 400 years of right to challenge illegal takings of their homes.

On Thursday, January 23, the Massachusetts Senate gaveled through – via a Senate which apparently had no accurate information about what it was unanimously voting for – a bill which will dramatically curtail illegally foreclosed homeowners’ right to regain title to their homes.

“The Massachusetts Alliance Against Predatory Lending (MAAPL) calls on all legislators of conscience who care about the rights of homeowners in our state and the impact the 63,000 plus foreclosures since 2007 on the state's economy to stand against the passage of this bill into law,” said Grace Ross, MAAPL Coordinator. “The bill strips foreclosed homeowners of their fundamental right to protect their property.”

“From now on, instead of giving homeowners the twenty years to reverse the wrongs of banks’ illegal foreclosures, this bill limits Massachusetts residents to three years. In addition, it limits to one year the rights of those who already were foreclosed during the recent foreclosure crisis,” said Attorney Lee Goldstein, Supervising Attorney, Harvard Legal Aide Bureau and Chair of Foreclosure of Massachusetts Task Force, National Lawyers Guild, “Given the public acknowledgment by every major financial leader that their industries' engaged in illegal foreclosure practices, this vote by the Massachusetts senate is shocking.”

With this bill, a new purchaser of a foreclosed home would claim clear title to that property three years after the original foreclosure. It allows that purchaser to sell out from under the original homeowner even if that person has proved in court that their foreclosure was illegal. Those foreclosed in the years before the bill becomes law will only have a year, even less time, to sue to regain their home before their right is extinguished.

Paul Norris, an illegally foreclosed homeowner who was shocked when he heard about the vote, said, “This just seems so dirty-handed. Why would you enable the fraud that has already occurred to now be condoned, pounding homeowners into the ground and not allowing them their right to be heard in court and get damages? What is the benefit for the average homeowner? All it does is make it even harder for someone to fight for their rights.”

Paul Norris was foreclosed over three years ago and has already one a precedent-setting Appeal court decision. Should this bill become law, he could have his property sold out of under him anyway. The bill allows the foreclosure to be valid, even if a court has ruled otherwise, unless the existence of the court proceeding is recorded at the local Registry.

“That bill would a devastation to my family. I worked hard for that home; I raised my family there for years. – and it was taken away from me illegally. I haven’t had a chance to be heard in front of a judge – even though I fought it in Housing Court and now have a suit up in the 1st Circuit Court of Appeals. If the judge had a chance to see the circumstances at work, I am sure they would be on my side,” said Christeen Friend, whose family home was foreclosed in 2009 and is also still involved in a legal fight to reverse the illegal foreclosure of her home.

The argument for this legislation is that it clears the way for new homeowners, BUT studies such as the Goldman Sachs report* shows that the majority of purchasers are investors who are overwhelmingly buying up our neighborhoods, taking advantage of foreclosure-discounted prices while average Massachusetts residents cannot access a mortgage in this lending market.

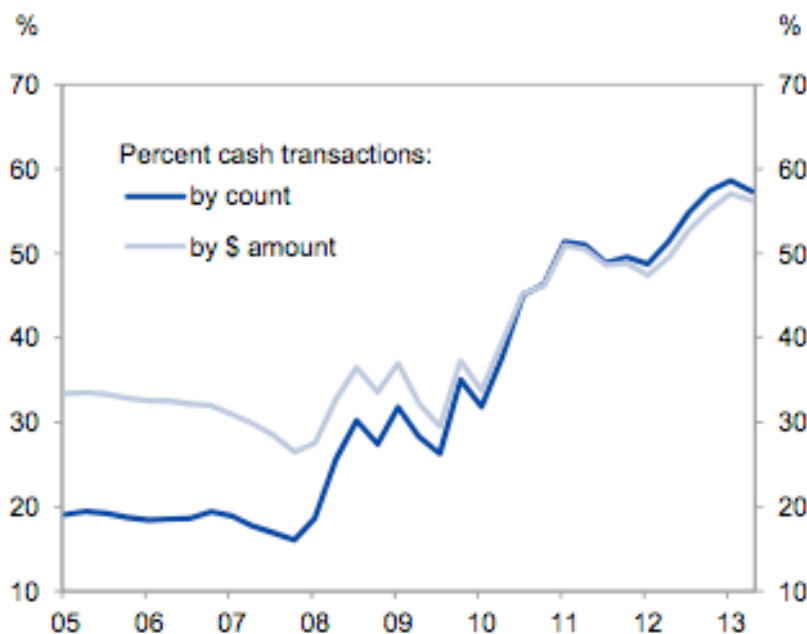
“MAAPL is asking Massachusetts elected officials, who have sworn to uphold our constitutional rights, to stop this travesty of law-making from passing,” said MAAPL coordinator, Grace Ross. “Do not run roughshod over 400 years of Massachusetts citizens' property rights. Slow down and listen to the voices of the voters who have lost the homes, far too often illegally, in which they raised their children and poured their hopes for the future.”

For more information, and to speak to homeowners who would be directly impacted, contact MAAPL coordinator, Grace C Ross.

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Exhibit 4: ...reflecting the sharply rising share of cash transactions

Estimated percent cash transactions by count and by dollar amount (4-quarter moving average)



Source: Goldman Sachs Global Investment Research.

Graph from the report *How much upside to purchase mortgage originations?* by Goldman Sachs economists Hui Shan, Marty Young and Charlie Himmelberg, showing a roughly 30% increase in real estate cash transactions over the past 7 years. Download this report in PDF format at <http://www.inman.com/wp-content/uploads/2013/08/The-Mortgage-Analyst-Aug-14-2013.pdf>

“The large share of cash transactions is being driven by the significant role that investors are playing in the current housing market, combined with the challenges all home-buyers face in qualifying for a mortgage given the tightened lending standards.” [*ibid.* pg. 1]