



Jim Davnie

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FORECLOSURE CRISIS ISSUES

October 3, 2007

Dear Friends,

The ongoing foreclosure crisis has exposed a number of problems with our current foreclosure process and the need for a stronger response by all stakeholders. A number of bipartisan working groups are being assembled to work with the wide variety of stakeholders to address this growing crisis. Each working group will delve into its issue area with an eye towards balancing the interests of all stakeholders. Issue areas and concerns include:

- **Foreclosure Modernization**
- **Homebuyer Counseling and Foreclosure Prevention Funding**
- **Municipalities and Vacant Properties**
- **Tenant Concerns and Data Collection**

Sincerely,

A handwritten signature of the name "Jim".

**State Representative Jim Davnie
Chair, House Labor and Consumer Protection Division**

FORECLOSURE CRISIS ISSUES FOR 2008 LEGISLATURE

Foreclosure Modernization

This group will look at reforming existing state foreclosure laws, including enhanced civil protections for consumers and increased criminal penalties for fraud. It will also discuss possible enhancements to the regulatory authority of the Department of Commerce and the authority of the Attorney General's office. Lead legislators are Rep. Joe Mullery, Rep. Bob Gunther, Sen. Linda Scheid and Sen. Ray Vandeveer.

Homebuyer Counseling and Foreclosure Prevention Funding

This group will examine funding for mortgage counseling and foreclosure prevention, including direct assistance to homeowners. Some of the ideas being discussed include incentives for lenders to restructure loans and reviewing actions by other states as possible models for remedies for homeowners and communities. Lead legislators are Rep. Karen Clark, Rep. Neil Peterson, Sen. Sandy Pappas and Sen. Amy Koch.

Municipalities and Vacant Properties

This group will review the challenge that vacant properties place on local communities, including the added financial burden, need for inspections and crime, and consider possible solutions. Lead legislators are Rep. Debra Hilstrom, Rep. Morrie Lanning, Sen. Chris Gerlach, and Minneapolis City Council President Barb Johnson.

Tenant Concerns and Data Collection

This group will review the impact of foreclosure of rental properties on the tenants of those properties, and possible remedies including those that may facilitate continued occupancy of the property by the tenant. Additionally this group will look at foreclosure as it applies to condominium owners. The foreclosure crisis has exposed significant frustrations for advocates and policy makers due to the difficulty in accessing relevant data. This working group will also look at possible changes in the reporting requirements when mortgages are filed, including possibly instituting some form of statewide data collection and review. Lead legislators for this working group are Rep. Jim Davnie, Rep. Paul Kohls, Sen. Linda Higgins, Sen. Warren Limmer and Sen. Ann Rest.