

Ideas for Reform

Federal Reserve Board Forum:
Fixing the Foreclosure System
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Idea #1: Bifurcate Owner-Occupied and Investor Procedures

Homeowners:

- Replace Redemption with Reinstatement

Investors:

- Eliminate Redemption/ Shorten Timeline

Create FMV Bidding For Sale at End of Foreclosure Process.

Idea #2: Change Notice Requirements

Eliminate Publication Cost

- Consider web posting for sale information

Better HO Advice Notices

- Increase frequency (begin 30 day def.)
- Shift content with time in process

Separate Initial Notice and Public Recording of Notice for HOs

- Provide time for public/non-profit response
 - Allow junior lien holders to receive notice
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Idea #3: Ease Use of Quicker Foreclosure w/ Abandoned Property

Current Statute Allows 5 Week Foreclosure w/ Abandoned Prop

- Minn. Stat. § 580.032: Court proceeding by foreclosing lender required

Allow Shortened Process If:

- City/County Certifies Abandoned
 - Notice and No Objection
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Idea #4: Rights for Nonprime Borrowers

Apply to borrowers with:

- Subprime or Alt-A loans
- Originated prior to August 1, 2007

Range of options:

- Mediation required
 - Loan modification criteria required
 - Right to extended
 - Moratorium
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