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STATEMENT OF AARON GORNSTEIN REGARDING FORECLOSURE DATA RELEASED BY THE WARREN GROUP

As foreclosures spike to record levels, legislation would help stabilize neighborhoods impacted by crisis

Boston, MA - July 20, 2010 - Today, the Warren Group released data that shows the number of completed foreclosures increased over 56 percent in the first six months of 2010 compared to a year earlier. Foreclosure deeds, which are recorded when a property has been foreclosed on, rose from 4,742 for the first half of 2009 to 7,431 during the same time period in 2010. Without further action to stem home losses, the Commonwealth is on pace to set a new record for foreclosures completed in a year – more than 14,860 households are on pace to lose their homes in 2010.

To address this crisis, we call upon the Massachusetts legislature to pass critical legislation before the end of the legislative session on July 31st.

An Act to Stabilize Neighborhoods would provide meaningful relief to keep people in their homes while they rebound from difficult economic times, at no expense to the state budget. The legislation would also reduce the public safety challenges that abandoned and blighted homes create in a neighborhood. Key provisions include 1) delaying a foreclosure by an additional sixty days if the financial institution neglects to consider a loan modification, 2) protecting lawful tenants of foreclosed properties from unnecessary displacement, and 3) criminalizing willful acts of mortgage fraud.

The bill passed the Senate unanimously and is currently before the House Committee on Ways and Means.

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