



# NB-21

Memorandum  
City of Long Beach

**Office of Councilmember Steven Neal**  
Councilmember, 9<sup>th</sup> District

**Date:** February 21, 2012

**To:** Honorable Mayor and Members of the City Council

**From:** Councilmember Steven Neal, Ninth District *SN*  
Councilmember Gerrie Schipske, Fifth District *GS*  
Councilmember Dee Andrews, Sixth District *DA*  
Councilmember Rae Gabelich, Eighth District *RG*

**Subject:** Mortgage Settlement Impact Analysis

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**Recommendation:**

Respectfully request the City Manager to work with Director of Government Affairs to engage the Attorney General of the State of California and the County of Los Angeles to better understand the impact of the landmark Federal/State Mortgage Settlement to Long Beach residents and neighborhoods, seek opportunities to mitigate the impacts of the foreclosure crisis in Long Beach as a part of this settlement, and to report back to the City Council within 45 days.

**Fiscal Impact:**

No Fiscal Impact

**Background:**

Since 2009, there have been approximately 7,036 foreclosure activities, from Notice of Default (NOD) to REO, in the City of Long Beach. Since the beginning of the foreclosure crisis in Long Beach, the city has taken major steps to protect our neighborhoods from the blight, crime and violence associated with vacant foreclosed properties. In 2010, we created a foreclosure registry that has since registered 1186 foreclosures as of 12/31/11 and ensures the property does not become a blight on the community.

On February 9, President Obama and Attorney Generals from 49 states announced a landmark mortgage settlement with the nation's largest banks to benefit homeowners hit

hard by the mortgage crisis. The state of California would receive \$18 billion as part of a multistate settlement.

Of the settlement amount, \$12 billion to California must be used to reduce the principal on loans or offer short sales to approximately 250,000 California homeowners who are underwater on their loans or getting behind on their payments.

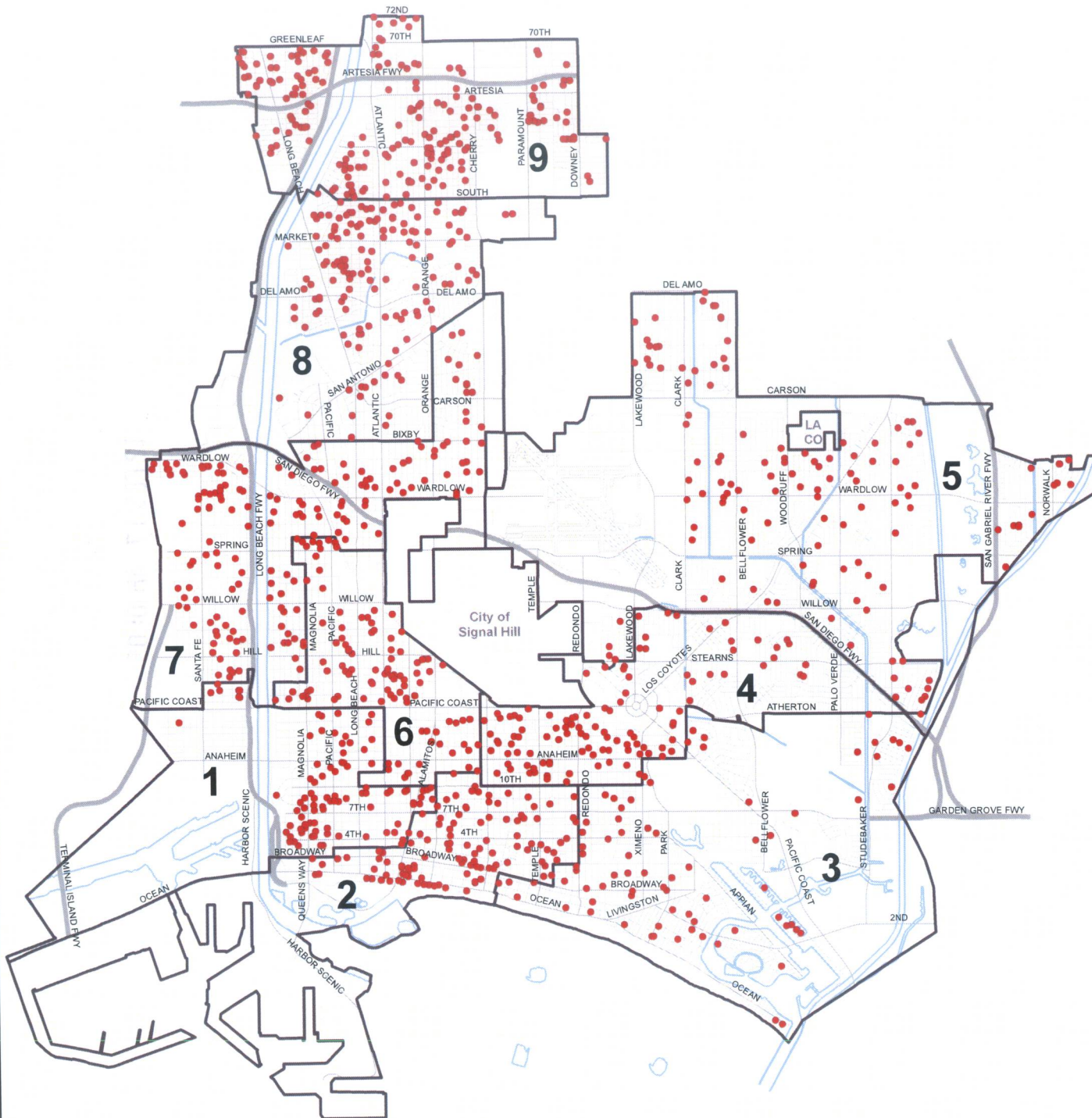
Throughout the three-year commitment, \$3.92 billion will help homeowners in Los Angeles County.

The settlement also includes \$1.1 billion to be distributed to homeowners for unemployed payment forbearance and transition assistance **as well as to communities to repair the blight and devastation left by waves of foreclosures**. As the second largest city in Los Angeles County, Long Beach communities have been hard hit by the foreclosure crisis, and should seek mitigations as a part of this settlement.

Other benefits of the settlement are expected to include:

- \$3.5 billion to relieve 32,000 homeowners of unpaid balances remaining when their homes are foreclosed.
- \$849 million to refinance the loans of 28,000 homeowners who are current on their payments but underwater on their loans.
- \$430 million in costs, fees and penalty payments.
- \$279 million to offer restitution to approximately 140,000 California homeowners who were foreclosed upon between 2008 and Dec. 31, 2011.

# Foreclosure Registry Locations



Council District	Total CEFR Cases
1	113
2	192
3	96
4	135
5	128
6	108
7	195
8	156
9	208

## Legend

- CEFR Locations

Department of  
Technology Services  
GIS



**Disclaimer**  
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**City of Long Beach Memorandum**  
*Working Together to Serve*

## REQUEST TO ADD AGENDA ITEM

**Date:** February 21, 2012  
**To:** Larry Herrera, City Clerk  
**From:** Councilmember Steven Neal, Ninth District  
**Subject:** Request to Add Agenda Item to Council Agenda of **February 21, 2012**

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Pursuant to Municipal Code Section 2.03.070 [B], the City Councilmembers signing below request that the attached agenda item (due in the City Clerk Department by Friday, 12:00 Noon) be placed on the City Council agenda under New Business via the supplemental agenda.

The agenda title/recommendation for this item reads as follows:

Mortgage Settlement Impact Analysis

Council District	Authorizing Councilmember	Signed by
9	Steven Neal	SN
6	Dee Andrews	D. Andrews
8	Rae Gallicchio	Rae Gallicchio
5	GERPPE SCHIRKE	Jeffrey - an

Attachment: Transmittal page dated February 21, 2012