



## Legislation Text

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171613

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The Chair

Resolution authorizing acceptance of Ocwen's \$3,000 junior lien settlement offer regarding the City's Compliance Loan to Felicia McIntosh.

This resolution authorizes acceptance of Ocwen's \$3,000 junior lien settlement offer regarding the City's Compliance Loan to Felicia McIntosh and release of the City's junior recorded mortgage in and to the property at 3819 W. Fairmount Avenue.

Whereas, Felicia McIntosh received a Compliance Loan from the City of Milwaukee in the amount of \$14,850 under the City's Compliance Loan Program, created by Council Resolution File No. 130940; and

Whereas, To secure repayment of the loan, the City of Milwaukee, on January 5, 2016, recorded a mortgage against Ms. McIntosh's property at 3819 W. Fairmount Avenue as Register of Deed document number 10529567, and the City completed the work detailed in the DNS scope of work to abate violation number 11399631; and

Whereas, At the time of recording the City's mortgage against the property, there was a prior recorded mortgage against the property, that had been recorded on April 20, 2007 as Register of Deeds document number 09420475 (originally to Delta Funding Corporation, now to HSBC Bank USA, NA as Indenture Trustee); and

Whereas, The City DNS Department was contacted by Ocwen Loan Servicing LLC, the servicer for HSBC Bank, and Ocwen indicated: that Ms. McIntosh remains indebted to HSBC Bank for over \$70,000, as secured by the prior recorded mortgage; that Ms. McIntosh has requested presentation of a deed-in-lieu of foreclosure to the bank to avoid foreclosure; and that Ocwen and the bank are amenable to the deed-in-lieu alternative if the City releases its junior lien and accepts a junior lien settlement offer of \$3,000; and

Whereas, DNS discussed this matter with the City Attorney's Office, and given the assessed value of the property, Ocwen's recent market analysis of the property, the outstanding debt still owed to the bank and secured by the prior recorded mortgage, and the likelihood that the City, in its junior lien position, would not receive any funds as a junior lien or if Ocwen and the bank pursued mortgage foreclosure against Ms. McIntosh and her property; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that the City is authorized to accept Ocwen's junior lien settlement offer and the DNS Commissioner or their designee is authorized to take appropriate steps, including signing and recording a satisfaction of the City's junior lien mortgage and to sign acceptance of the \$3,000 settlement offer; and, be it

Further Resolved, That DNS shall coordinate with the Comptroller's Office regarding deposit of the settlement funds from Ocwen; and, be it

Further Resolved, That the proper city officials are authorized to take such further actions to effectuate this resolution.

DNS

Steph O'Connor

2/1/18