



Legislation Text

File #: 150721, Version: 1

150721
SUBSTITUTE 1
140901
Ald. Murphy & Bohl

Substitute resolution accepting a donation to the City from Nationstar Mortgage LLC.

This resolution authorizes City acceptance of a \$500,000 donation to the City under MCO 304- 24 and City entry into an agreement with Nationstar Mortgage, LLC regarding Nationstar's assistance in Milwaukee.

Whereas, the City of Milwaukee, along with other cities in the United States, is still experiencing impacts of the nation's mortgage foreclosure crisis, including considerable public expense and negative effects on the City's tax base; and

Whereas, the City of Milwaukee has been engaged in collaborative, effective, and innovative outcome-oriented solutions to problems generated by mortgage foreclosure, notably vacancy, blight, and tax delinquency and foreclosure; and

Whereas, the City continues to see a demand for home repair and stabilization resources from owners whose properties are underwater, owing more in mortgaged debt than the market value of their property; and

Whereas, the Mayor and Common Council have enacted a range of programs to prevent blight and tax delinquency, including Milwaukee's STRONG Homes Loan Program to assist those Milwaukee homeowners who are current on their mortgages but unable to access equity or unsecured credit to repair and maintain major components of their homes; and

Whereas, Nationstar, based in Dallas, Texas, is a mortgage loan servicing company which sends monthly billing statements, receives payments, and handles other administrative work for institutions that own mortgage loans or securities primarily secured by mortgages on single-family residences; and

Whereas, Nationstar has 2.4 million customers nationwide and approximately 3,500 customers in the City of Milwaukee, 86% of whom are current on their mortgage, and approximately 150 of whom are in or eligible for foreclosure; and

Whereas, Nationstar, Mayor Barrett, and Common Council President Murphy collaborated to develop new ways to minimize harmful effects that foreclosures can have on people and neighborhoods, and

Whereas, those discussions resulted in a 5-part proposal by Nationstar to the City of Milwaukee; and

Whereas, the 5-part proposal:

- (i) provides up to \$30 million in financial assistance through mortgage modifications and other relief and

assistance programs to Nationstar's Milwaukee customers over the next 3 years (2016, 2017 and 2018),

- (ii) provides \$500,000 donated by Nationstar to the City over the next 3 years (2016, 2017 and 2018) for use to support the City's STRONG Homes Loan Program,
- (iii) provides 3 face-to-face customer outreach events in the City per year for the next 3 years (2016, 2017 and 2018) for Nationstar to meet with Nationstar customers in Milwaukee who may be struggling with mortgage payments,
- (iv) includes donations to qualified non-profits by Nationstar during the remainder of 2015, and during 2016, 2017 and 2018, of as many Nationstar-managed "Real-Estate Owned" (REO) properties in the City as feasible under guidelines set forth by the owners of the Nationstar serviced mortgages, along with a cash donation to such non-profit entity of up to \$10,000 per parcel to support renovation costs, and
- (v) continues collaboration between Nationstar and the City, and to the extent possible, with government-sponsored enterprises that own Nationstar-serviced mortgage loans in Milwaukee, to promote homeowner preservation and housing market stabilization in the City; and

Whereas, the 5-part proposal is reflected in the letter that is part of this file, and constitutes the documentation of Nationstar's contribution under MCO 304-24-7-b; and

Whereas, The Common Council is appreciative of Nationstar's efforts to assist the City and Milwaukee homeowners in continued work on foreclosure mitigation, and wishes to accept Nationstar's contribution and 5-part proposal; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that Nationstar's \$500,000 donation and contribution is hereby accepted per MCO 304-24, with the annual contribution amounts of \$166,667 per year to be deposited into a contribution account to be established by the Comptroller so the funds may be used by the Department of City Development for the STRONG Homes Loan Program, intending that all such amounts so contributed by Nationstar be so deposited for use for that Program and be carried over as need be; and be it

Further Resolved, That the Council authorizes the City to accept the proposals outlined in the letter from Nationstar, and the Council authorizes City officials to sign the letter in the form and substance that are part of this file, or in form and substance materially similar thereto, and the Council authorizes the City to take such further actions as may be necessary or required to effectuate such proposals and the intent of this resolution.

Gregg Hagopian
09/25/15