



Legislation Details (With Text)

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**File created:** 3/31/2015      **In control:** COMMON COUNCIL

**On agenda:**      **Final action:** 6/23/2015

**Effective date:**

**Title:** A substitute ordinance relating to registration requirements applicable to financial institutions and mortgage servicers.

**Sponsors:** ALD. BAUMAN, ALD. BOHL, ALD. MURPHY, ALD. KOVAC

**Indexes:** BANKING, FORECLOSURES

**Attachments:** 1. Servicer Registry Overview Presentation 5-28-15, 2. Hearing Notice List 4-14-15, 3. Hearing Notice List 5-28-15, 4. Hearing Notice List 6-16-15, 5. Hearing Notice List 6-23-15, 6. Notice Published on 7-10-15

Date	Ver.	Action By	Action	Result	Tally
3/31/2015	0	COMMON COUNCIL	ASSIGNED TO		
4/8/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
4/8/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
4/8/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
4/8/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
4/8/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
4/9/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
4/9/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
4/9/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
4/14/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
5/20/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
5/20/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
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5/20/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
5/28/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
6/11/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

6/11/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
6/11/2015	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
6/12/2015	1	CITY CLERK	DRAFT SUBMITTED		
6/16/2015	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
6/16/2015	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
6/16/2015	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
6/16/2015	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
6/23/2015	1	COMMON COUNCIL	PASSED	Pass	12:0
6/23/2015	2	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	RECOMMENDED FOR PASSAGE	Pass	3:0
6/23/2015	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	SUBSTITUTED	Pass	3:0
7/2/2015	1	MAYOR	SIGNED		
7/10/2015	1	CITY CLERK	PUBLISHED		

141900  
SUBSTITUTE 2

ALD. BAUMAN, BOHL, MURPHY AND KOVAC

A substitute ordinance relating to registration requirements applicable to financial institutions and mortgage servicers.

- 200-22.5 rc
- 200-22.6 cr
- 200-33-46.5 cr
- 200-33-47-a am
- 200-33-47-b am

Currently, mortgagees pending foreclosure are required to register, inspect, secure and maintain their properties. This ordinance clarifies and consolidates various code provisions concerning the registration of residential properties pending foreclosure and creates a registry for mortgage loans in default.

This ordinance also creates code provisions to:

1. Identify properties and owners at risk for foreclosure, at risk of being non-code compliant and at risk of or in abandonment.
2. Identify properties experiencing disinvestment or lack of maintenance and repair.
3. Provide opportunity for connecting owners of properties in or at risk of mortgage loan default

to information, programs and resources to help them to remain in ownership or to maintain or repair their properties.

The new registration requirements for residential mortgage loans in default are largely the same as the existing provisions for mortgages pending foreclosure, including registration fees.

Whereas, Cities, counties and states across the United States have successfully implemented regulations relating to the registration of residential mortgage loans in foreclosure and default, including the city of Jacksonville and unincorporated Lee County in Florida; Easton, Pennsylvania; Los Angeles, California; and the State of New York; and

Whereas, To promote and retain ownership and occupancy of property in the city, to reduce blight and disinvestment in neighborhoods, and to maintain residential property values and assessments, it is declared a matter of public policy and an exercise of the city's police power that a mortgagee of a residential property who initiates foreclosure or who has sent a notice of default to a mortgagor is required to register with and notify the city; now, therefore,

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 200-22.5 of the code is repealed and recreated to read:

**200-22.5. Registration of Residential Properties Pending Foreclosure. 1. FINDINGS.** The common council finds that a significant relationship exists among residential properties in the foreclosure process, the prevalence of blight and abandoned buildings, increased calls for police service, higher incidence of fires, both accidental and intentional, and decline and disinvestment in neighborhoods. Residential property owners involved in foreclosure have less incentive to maintain their properties, and properties in foreclosure have a higher incidence of building code violations than properties not in foreclosure. The foreclosure process may also result in abandonment. Abandoned buildings become havens for vandalism, arson and drug crimes, draining valuable governmental resources and creating a significant reduction in quality of life for the surrounding neighborhood. Registration, inspection and aggressive monitoring of residential properties in the foreclosure process help to stabilize and improve affected neighborhoods and aid in code enforcement efforts, as well as public safety. A mortgagee that does not register, inspect, secure and maintain, as required in this section, places an undue and inappropriate burden on the taxpayers of the city and poses an increased risk to public health, safety and welfare.

**2. PURPOSE AND SCOPE.** The purpose of this section is to establish a registration program to monitor residential properties pending foreclosure to identify at-risk properties, and to regulate the securing and maintenance of abandoned residential properties in foreclosure. This section is intended to reduce and prevent neighborhood blight, to ameliorate conditions that threaten public health, safety and welfare, to promote neighborhood stability and residential occupancy by

preserving the condition and appearance of residential properties, and to maintain residential property values and assessments. It is declared a matter of public policy and an exercise of the city's police power that mortgagees initiating foreclosure proceedings against a residential property are required to register with the city. This registration process will give city agencies the means of contacting those responsible for the foreclosure proceedings and mortgages at issue, those responsible for the inspections required in this section, and those responsible for the securing and maintenance of abandoned property as required in this section. The purpose of the registration fee is to partially recover administrative costs associated with this registry. Nothing in this section shall be construed as waiving, relieving or otherwise excusing an owner of residential property from complying with applicable building codes and ordinances, and the owner shall at all times remain responsible and liable therefor. Nothing in this section is intended to affect the right to foreclose as provided by state law.

**3. DEFINITIONS.** In this section:

a. "Abandoned property" means a property that is vacant as a result of the relinquishment of occupancy, possession or control by a mortgagor and those claiming by, through or under the mortgagor, including tenants, whether or not the mortgagor relinquished equity and title. A residential property may be deemed abandoned when there is evidence of conditions, taken separately or as a whole, which would lead a reasonable person to conclude that the property is abandoned, including:

a-1. Presence of overgrown or dead vegetation.

a-2. Accumulation of newspapers, circulars, flyers or mail.

a-3. Past-due utility notices.

a-4. Accumulation of junk, litter, trash or debris.

a-5. Absence of window treatments, such as blinds, curtains or shutters.

a-6. Absence of furnishings and personal items.

a-7. Statements by neighbors, delivery agents or similarly-situated persons that the property is vacant.

a-8. Any of the items specified in s. 846.102(2), Wis. Stats.

b. "Accessible structure" means a building that is accessible through a compromised door, wall, window or similar building feature and that is unsecured in a manner that allows access to interior space by unauthorized persons.

c. "Agent" means a person or entity, including a servicing company, acting on behalf of the mortgagee regarding the mortgage or mortgage loan, the foreclosure proceedings, or the mortgaged property, including the inspection, maintenance and securing duties required in this section, except that an attorney shall not be deemed to be an agent if the attorney is retained solely to represent the mortgagee or agent in connection with the foreclosure proceedings in court.

d. "Foreclosure" means the process prescribed by ch. 846, Wis. Stats., and the process for non-judicial sale authorized by a power of sale clause in a mortgage.

e. "Mortgage" means a written instrument creating a lien on real property whereby the property is used as security or collateral for performance of an act or payment of funds. For purposes of this section, mortgage also includes a land contract.

f. "Mortgagee" means the person or entity to which the mortgage has been granted or assigned.

g. "Mortgagor" means the person or entity that granted the mortgage.

h. "Occupied property" means a residential property with a structure on which any person, including an owner, operator, or tenant, but not a trespasser, lives, sleeps, cooks or otherwise maintains actual possession.

i. "Residential property" means a property used in whole or in part for residential purposes, including single-family, 2-family and multi-family dwellings, and mixed-use commercial and residential structures, but not residential condominium units.

j. "Servicing company" means a person or entity that provides services to the mortgagee, or to an agent of a mortgagee, including debt servicing, collection of payments, administration of escrow and insurance accounts, managing loss mitigation, foreclosing, and securing and managing properties on behalf of the mortgagee or the mortgagee's agent.

**4. REGISTRATION REQUIRED.** a. Within 5 working days of filing with the court of the foreclosure proceedings against a residential property, the mortgagee, or agent, shall register the property in the name of the mortgagee with the commissioner on a form or by an electronic process prescribed by the commissioner. This form shall include all of the following:

a-1. Information identifying the property by address and tax key number.

a-2. The mortgagor of record and the mortgagee of record.

a-3. The register of deeds recording document number for the mortgage being foreclosed and the date of recording.

a-4. The current owner of the note or instrument secured by the mortgage, and the registered agent and registered office for that owner.

a-5. The date of recording of the lis pendens for commencement of the foreclosure proceedings.

a-6. The case number of the foreclosure action and the plaintiff in the foreclosure action.

a-7. The servicing company or other agent acting on behalf of the mortgagee, and the registered

agent and registered office for that servicing company or agent.

a-8. Contact information for a person with the mortgagee or agent who will be responsible for inspecting, securing and maintaining the property, as required under this section.

b. A mortgagee or agent for a residential property in foreclosure proceedings for whom the proceedings were initiated prior to the effective date of this ordinance [city clerk to insert date], who remains subject to the foreclosure proceedings, and who has registered with the city shall be subject to the periodic inspection and other requirements of this section.

**5. AMENDMENT.** Within 20 days of a change in information for the registration of a property, including a change in ownership of the mortgage or a change in agent, servicing company or contact person, the mortgagee or the mortgagee's agent shall file an amended registration with the commissioner on a form or by an electronic process prescribed by the commissioner.

**6. TERMINATION OF REGISTRATION.** a. To terminate a registration, the mortgagee or the mortgagee's agent shall file a registration termination with the commissioner on a form or by an electronic process prescribed by the commissioner within 10 days of either of the following, whereupon the duties of the mortgagor or the agent under this section shall cease:

a-1. A court-confirmed sale of the property in foreclosure, with the deed having been issued in the foreclosure proceedings, and the deed or evidence of the deed having been recorded in the register of deeds office.

a-2. A court order dismissing the foreclosure proceedings, and a discharge of the lis pendens having been recorded in the register of deeds office.

b. The mortgagee or agent shall provide, in the termination filing, the register of deeds recording information for one of the following:

b-1. The deed or the evidence of the deed, as provided in par. a-1.

b-2. The lis pendens discharge, as provided in par. a-2.

c. If the court dismisses the foreclosure proceedings due to a discharge or satisfaction of the mortgage, the mortgagee or agent shall also provide, with the termination filing, the register of deeds recording information for the discharge or satisfaction of the mortgage.

**7. INSPECTION OF RESIDENTIAL PROPERTY.** a. Initial Inspection. Whenever a mortgagee or agent initiates foreclosure proceedings against a residential property, the mortgagee or agent shall cause a physical inspection to be made of the property not later than 30 days from the date of filing of the foreclosure proceedings. One or more photographs shall be taken of the property accurately portraying the condition of the exterior premises. Photographs shall be dated and preserved.

b. Periodic Inspections. The mortgagee or agent shall perform a re-inspection of the property subject to the foreclosure proceedings at least once every 30 days following the initial inspection until a registration termination is filed. One or more photographs shall be taken at each re-inspection and shall be dated and preserved.

c. Records. A mortgagee or agent shall maintain written records, including photographs, of any inspection or re-inspection required by this section, and, in the case of abandoned property, records of actions taken under sub. 9. Written records and photographs of inspection and re-inspection shall be made available to the commissioner upon request.

**8. NOTIFICATION OF ABANDONED RESIDENTIAL PROPERTY.** If inspection of the residential property required under sub. 7 shows the property is abandoned, or if the mortgagee or agent otherwise becomes aware of abandonment, the mortgagee or agent shall file notification of the abandoned property within 5 working days on a form or by an electronic process prescribed by the commissioner that includes a description of the external condition of the property and whether there is an accessible structure on the property. The notification filing shall identify the person residing in the 7-county area identified in s. 200-52.5-2-j authorized by the mortgagee to enter upon the property and to conduct repairs or maintenance, and secure access, as required in sub. 9.

**9. DUTY TO SECURE, MAINTAIN AND POST ABANDONED PROPERTY.** a. The property maintenance duties of a mortgagee or agent with an abandoned residential property shall be limited



to the following:

a-1. Ensuring that there are no accessible structures on the premises.

a-2. Ensuring that there are no conditions upon the property presenting an immediate risk to public health, safety or welfare, including:

a-2-a. Removing or abating fire hazards.

a-2-b. Removing or containing potentially toxic materials and explosives.

a-2-c. Securing the perimeters of swimming pools, ponds or other bodies of water.

a-2-d. Maintaining public walkways and thoroughfares free from ice, snow, mud and other debris consistent with the requirements of par. d.

a-2-e. Mowing grass and eliminating weeds and other plant growth consistent with the requirements of par. d.

b. A mortgagee or agent shall include a statement in the abandonment notification identifying action taken or planned to be taken to comply with the requirements of par. a.

c. Upon filing notification of the abandoned property or at the time that notification is required to be made, and until there has been a registration termination filed regarding the abandoned property, the commissioner may make a finding that the condition of the property constitutes an immediate threat to public health, safety and welfare and, upon such finding, may issue a written order to the mortgagee or agent, or both, to abate the condition. Upon failure to comply with the commissioner's order within 10 days, the mortgagee or agent, or both, shall be responsible and shall be subject to a penalty in the same manner and to the same extent as the owner of the property under any of the following:

c-1. Section 79-12, littering of premises.

c-2. Section 79-13, sidewalks to be kept clean.

c-3. Section 80-13, odors from privy vaults, drains, sewers.

c-4. Section 80-17, hay fever weeds, etc.

c-5. Section 80-31, breeding place for flies.

c-6. Section 80-49, nuisance vehicles.

c-7. Section 105-16, icicles on buildings.

c-8. Section 214-11, storing of fuel in a dwelling.

c-9. Section 214-12, securing of pressurized gas cylinders.

c-10. Section 217-13-4, locks.

c-11. Section 236-41, hazardous substance spills.

c-12. Section 275-32-7, vacant structures.

c-13. Section 275-35, graffiti abatement.

c-14. Section 275-81-5, maintenance of premises.

c-15. Section 275-81-6, rat harborages.

d. The minimum requirements of a mortgagee or agent for preservation and protection of residential property, absent a specific order of the commissioner to abate a condition of the premises, shall be consistent with 24 CFR 203.377 and the rules, regulations and other requirements published by the federal housing administration (FHA) of the U.S. department of housing and urban development for the preservation and protection of single-family residential properties secured by FHA loans, as those requirements may be amended by FHA mortgagee letters or otherwise, and as applied by the FHA to the state of Wisconsin, including guidelines related to winterization and heating systems. Under these guidelines, debris removal shall be deemed to include snow and ice removal, and the elimination of weeds and other plant growth, as required in s. 80-17. The commissioner may issue a written order to the mortgagee or agent, or both jointly and severally, to abate the condition. The mortgagee or agent, or both, shall be held liable for failure to abate and for repayment to the city of the reasonable costs incurred by the city related to abatement of conditions that are subject to FHA guidelines specified in this paragraph, or which are subject to an order under par. b and which threaten public health, safety and welfare.

e. A mortgagee or agent, upon receiving information or determining that the residential property is abandoned, and until the property is no longer abandoned, shall post and maintain signs affixed or adjacent to all entrances to the building indicating:

e-1. The name, address and telephone number of the agent authorized by the mortgagee to be responsible for maintenance and management of the property, as specified under sub. 8.

e-2. That no trespassing is allowed upon the premises without consent of the agent.

**10. FEES.** a. The fee for registration of residential property pending foreclosure, as provided in s. 200-33-47-a, shall be due upon registration.

b. If the registration form is filed more than 5 working days after initiation of the foreclosure

proceedings, a late fee shall be charged, as provided in s. 200-33-47-b.

c. The registration form and fee may be transmitted electronically or by any other means to be determined by the commissioner. The registration shall be valid from the date the registration form is completed and filed with the commissioner and the registration fee, including any late fee, is received by the commissioner.

d. There shall be no fee for filing an amended registration or for filing a registration termination.

**11. PENALTY.** a. Failure to Register or to File Amendment. Any mortgagee or agent that fails to register as required under sub. 4, fails to file an amendment as required under sub. 5, or fails to file a termination as required under sub. 6, shall be jointly and severally responsible, and, upon conviction, shall forfeit not less than \$500 nor more than \$2,000, together with the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

b. Failure to Inspect. Any mortgagee or agent that fails to inspect or re-inspect a property as required under sub. 7 shall be jointly and severally responsible, and, upon conviction, shall forfeit not less than \$250 nor more than \$1,000, together with the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

c. Failure to Notify about Abandoned Property. Any mortgagee or agent that fails to file notification of an abandoned property as required under sub. 8, shall be jointly and severally responsible, and, upon conviction, shall forfeit not less than \$500 nor more than \$2,000, together with the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

d. Failure to Secure and Maintain Abandoned Property. Any mortgagee or agent having a duty to register abandoned property that fails its duty to secure and maintain the property as required under sub. 9 shall be jointly and severally responsible, and, upon conviction, shall forfeit not less than \$800 nor more than \$2,500, together with the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

e. Failure to Maintain Records or to Post. Any mortgagee or agent that fails to maintain or provide records required in sub. 7-c, or to post signage as required in sub. 9-e shall be jointly and severally responsible, and, upon conviction, shall forfeit not less than \$100 nor more than \$500, together with

the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

Part 2. Section 200.22.6 of the code is created to read:

**200-22.6. Registration of Residential Mortgage Loans in Default. 1. FINDINGS.** The common council recognizes the findings in s. 200-22.5, and further finds that a significant relationship exists among mortgage loan defaults, blighted properties, and decline and disinvestment in neighborhoods. Residential property owners in default under mortgage loans face financial difficulty, may face foreclosure or collection proceedings, and may struggle to remain in ownership or to maintain or repair their properties, leading to code violations and public health, safety and welfare concerns. Without the registration requirement of this section, mortgagees and agents might not provide address-specific default information. Registration of properties in mortgage loan default may help connect borrowers to beneficial information, programs and resources, including those provided by nonprofit organizations and other third-party providers, such as credit counseling and information about foreclosure avoidance, loan modification, forbearance, repayment plans and refinancing possibilities. Registration may also identify properties at risk of disinvestment and decline, future foreclosure and possible abandonment.

**2. PURPOSE AND SCOPE.** The purpose of this section is to establish a registration program to identify residential properties and owners at risk for foreclosure, risk of being non-code-compliant or risk of or in abandonment, to identify properties experiencing disinvestment or lack of maintenance and repair, and to provide opportunities for connecting owners to beneficial information, programs and resources. This section is intended to promote and retain home ownership and occupancy, to reduce blight and disinvestment, and to maintain residential property values and assessments. It is declared a matter of public policy and an exercise of the city's police power, that a mortgagee who has sent a notice of default to a mortgagor regarding a mortgage loan against a residential property, is required to register with the city, periodically inspect the property, and report abandonment. The purpose of the registration fee is to partially recover administrative costs associated with this registry. Nothing in this section shall be construed as waiving, relieving or otherwise excusing an owner of residential property from complying with applicable building code or other code provisions, and the owner shall at all times remain responsible and liable therefor. Nothing in this section is intended to affect the right to foreclose on a property as provided by state law, or the duty of a mortgagee or agent to preserve and protect property under 24 CFR 203.377, and the rules, regulations and other requirements published by the federal housing administration (FHA) of the U.S. department of housing and urban development for the preservation and protection of single-family residential properties secured by FHA loans, as those requirements may be amended by FHA mortgagee letters or otherwise, and as applied by the FHA to the state of Wisconsin, including guidelines related to winterization and heating systems.

**3. DEFINITIONS.** In this section:

a. "Abandoned property" has the definition provided in s. 200-22.5-3.

b. "Accessible structure" has the definition provided in s. 200-22.5-3.

c. "Agent" means a person or entity, including a servicing company, acting on behalf of the mortgagee regarding the mortgage, the mortgage loan in default, or the mortgaged property, including acting to perform the inspection and other duties required in this section. Agent includes, but is not limited to, a servicing company, except that an attorney shall not be deemed to be an agent if the attorney is retained solely to represent the mortgagee or agent in connection with the default or enforcement of remedies regarding the default.

d. "Default" means a default by the mortgagor to the mortgagee or owner of the note of loan payments or other covenants that caused the mortgagee or agent or servicing company to send a notice of default to the mortgagor, the sending of which will permit foreclosure against the residential property if the default is not cured.

e. "Foreclosure" has the definition provided in s. 200-22.5-3.

f. "Loan" means the debt, repayment of which is secured by the mortgage.

g. "Mortgage" has the definition provided in s. 200-22.5-3.

h. "Mortgagee" has the definition provided in s. 200-22.5-3.

i. "Mortgagor" has the definition provided in s. 200-22.5-3.

j. "Occupied property" has the definition provided in s. 200-22.5-3.

k. "Residential property" has the definition provided in s. 200-22.5-3.

L. "Servicing company" has the definition provided in s. 200-22.5-3.

**4. REGISTRATION REQUIRED.** Within 5 working days after the mortgagee or agent sends a notice of default to the mortgagor regarding a residential mortgage loan, the mortgagee or agent shall register the property in the name of the mortgagee with the commissioner on a form or by an electronic process prescribed by the commissioner that includes:

a. Information identifying the property by address and tax key number.

b. The mortgagor of record and mortgagee of record.

c. The register of deeds recording document number for the mortgage and the date of recording.

d. The current owner of the note or instrument secured by the mortgage and the registered agent and registered office for that owner.

e. The date the notice of default was sent to the mortgagor.

f. The servicing company or other agent acting on behalf of the mortgagee, and the registered agent and registered office for that servicing company or agent.

g. Contact information for a person with the mortgagee or agent responsible for inspections required under this section.

h. Contact information for a person with the mortgagee or agent who can provide an itemization of amounts needed to cure the default and information regarding foreclosure avoidance or loss

mitigation programs or options offered by the mortgagee or agent.

i. Whether the mortgagee or agent collects money in escrow for payment of property taxes or insurance against the property.

**5. AMENDMENT.** Within 20 days of a change in information in the registration, including a change in the ownership of the mortgage or a change in agent, servicing company or contact person, the mortgagee or agent shall file an amended registration with the commissioner on a form or by an electronic process prescribed by the commissioner.

**6. TERMINATION.** The mortgagee or agent shall file a registration termination with the commissioner, on a form or by an electronic process prescribed by the commissioner, within 10 days of any of the following, whereupon the duties of the mortgagor or the agent under this section shall cease:

a. A cure or satisfaction of the default, by means other than a deed to the mortgagee or agent, whether by payment, loan modification, loan refinancing, repayment plan or short sale with a recorded satisfaction of the subject mortgage and a recorded deed or evidence of a deed to a person other than the mortgagee or the mortgagee's agent.

b. If there has been a recorded deed from the mortgagor to the mortgagee or agent, upon the recording of a subsequent deed in the register of deeds office from the mortgagee or agent to a third party.

c. A recorded mortgage satisfaction concerning the mortgage loan in default.

d. Registration under s. 200-22.5 due to initiation of proceedings to foreclose the mortgage.

**7. INSPECTION OF RESIDENTIAL PROPERTY.** a. Initial Inspection. Whenever a mortgagee or agent registers a loan in default under this section, the mortgagee or agent shall cause a physical inspection to be made of the residential property not later than 30 days from the date of registration. One or more photographs shall be taken of the property accurately portraying the condition of the exterior premises. Photographs shall be dated and preserved.



b. Periodic Inspections. The mortgagee or agent shall perform a re-inspection of the residential property subject to the default at least once every 60 days following the initial inspection until such time as a registration termination is filed. One or more photographs shall be taken at each re-inspection and shall be dated and preserved.

c. Records. A mortgagee or agent shall maintain written records, including photographs, of any inspection or re-inspection required by this section, including records relating to sub. 6. Written records and photographs of inspection and re-inspection shall be made available to the commissioner upon request.

**8. NOTIFICATION OF ABANDONED RESIDENTIAL PROPERTY.** If inspection of the residential property required under sub. 6 shows the property is abandoned, or if the mortgagee or agent otherwise becomes aware of abandonment, the mortgagee or agent shall file notification of the abandoned property within 5 working days on a form or by an electronic process prescribed by the commissioner that includes a description of the external condition of the property, whether there is an accessible structure on the property, and the contact information for a person with the mortgagee or agent responsible for inspection and securing of the residential property. If there is an accessible structure, the mortgagee or agent shall secure so there are no accessible structures.

**9. FEES.** a. The fee for registration of residential property with mortgage loan in default, as provided in s. 200-33-47.5-a, shall be due upon registration.

b. If the registration is filed more than 5 working days after the notice of default is sent, a late fee shall be charged, as provided in s. 200-33-47.5-b.

c. The registration form and fee may be transmitted electronically or by any other means to be determined by the commissioner. The registration shall be valid from the date the registration form is completed and filed with the commissioner, and the registration fee, including any late fee, is received by the commissioner.

d. There shall be no fee for filing an amended registration or for filing a registration termination.

**10. PENALTY.** a. Failure to Register or to File Amendment. Any mortgagee or agent that fails to register as required under sub. 4, fails to file an amendment as required under sub. 5, or fails to file a termination as required under sub. 6, shall be jointly and severally responsible, and, upon conviction, forfeit not less than \$500 nor more than \$2,000, together with the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

b. Failure to Inspect. Any mortgagee or agent that fails to inspect or re-inspect a property as required under sub. 7 shall be jointly and severally responsible, and, upon conviction, forfeit not less than \$250 nor more than \$1,000, together with the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

c. Failure to Notify about Abandoned Property. Any mortgagee or agent that fails to file notification about abandoned property as required under sub. 8 shall be jointly and severally responsible, and, upon conviction, forfeit not less than \$800 nor more than \$2,500, together with the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

d. Failure to Secure Accessible Abandoned Property. Any mortgagee or agent having a duty to file notification of abandoned property that fails its duty to secure the property as required under sub. 8 shall be jointly and severally responsible, and, upon conviction, forfeit not less than \$800 nor more than \$2,500, together with the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

e. Failure to Maintain Records. Any mortgagee or agent that fails to maintain records required in sub. 7-c shall be jointly and severally responsible, and, upon conviction, forfeit not less than \$100 nor more than \$500, together with the cost of the action, and in default of payment thereof may be imprisoned as provided by law.

**11. DURATION.** This section is effective January 1, 2016, and shall be null and void January 1, 2019, unless reauthorized by the common council.

Part 3. Section 200-33-46.5 of the code is created to read:

**200-33. Fees.**

**46.5. REGISTRATION OF RESIDENTIAL MORTGAGE LOANS IN DEFAULT.** a. The fee for registration of a residential mortgage loan in default, as required by s. 200-22.6-4, shall be \$50.

b. There shall be an additional late fee of \$25 if a completed registration form is not received by the commissioner within 5 working days after the notice of default is sent or if the registration fee required in par. a is not received by the commissioner upon registration.

Part 4. Section 200-33-47 of the code is amended to read:

**47. REGISTRATION OF RESIDENTIAL PROPERTY PENDING FORECLOSURE.** a. The fee for registration of a residential property pending foreclosure >> as<< required by ~~[[s. 200-22.5-2.5]]~~ >> s. 200-22.5-4<<, shall be \$300.

b. If a completed registration form is not received by the commissioner within 5 >> working<< days of initiation of the foreclosure proceedings , or if the registration fee required in par. a is not received by the commissioner ~~[[within 7 days of receipt of the registration form]]~~ >> upon registration<<, there shall be an additional late fee of \$25.

APPROVED AS TO FORM

\_\_\_\_\_  
Legislative Reference Bureau

Date: \_\_\_\_\_

IT IS OUR OPINION THAT THE ORDINANCE  
IS LEGAL AND ENFORCEABLE

\_\_\_\_\_  
Office of the City Attorney

Date: \_\_\_\_\_

Gregg Hagopian

LRB 157749-2

Andrew R. VanNatta

06/17/2015