



# CITY OF EL MONTE

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## CITY MANAGER'S OFFICE

René Bobadilla, P.E.  
City Manager

Jesus M. Gomez  
Assistant City Manager

AUGUST 15, 2012

TO: MORTGAGE INDUSTRY STAKEHOLDERS

FROM: CITY OF EL MONTE FORECLOSURE REGISTRATION PROGRAM

RE: ADOPTION OF CITY COUNCIL ORDINANCE NO 2800: NOTICE OF CHANGES TO CITY OF EL MONTE MORTGAGE FORECLOSURE REGISTRATION AND PROPERTY RESALE PROGRAM

### PLEASE TAKE NOTICE

This letter is being issued to mortgage lenders, beneficiaries, banks, mortgage services, foreclosure trustee services, title insurance companies, real estate property management firms, real estate brokers and other interested persons who participate in the mortgage foreclosure industry as of July 31, 2012, in the City of El Monte, California (the "City").

The City of El Monte is one of many municipalities in California which is making efforts to deal with an historically high rate of real property mortgage loan defaults and the effects on the community of the exercise by lenders of their mortgage foreclosure remedy on a large scale. In 2008, the City enacted a mortgage foreclosure registration program (the "Registration Program") which in its current form, requires the makers or holders of loans secured by real property mortgages, and their agents, (collectively, "Participants"):

register the fact of initiation of mortgage foreclosure proceedings involving El Monte properties with the City, and thereafter:

- (A) the Participants shall take certain other actions during the course of the mortgage foreclosure process, including property inspection and maintenance responsibilities; and
- (B) if the mortgage loan default is not cured or if the foreclosure remedy is completed, the Participants shall comply with the real property resale inspection, maintenance and building health and safety code correction program of the City.

On July 31, 2012, the City Council of the City approved City Ordinance No. 2800 which makes certain changes in the Registration Program. A copy of the text of City

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RE: ADOPTION OF CITY COUNCIL ORDINANCE NO 2800: NOTICE OF CHANGES TO CITY OF EL MONTE MORTGAGE FORECLOSURE REGISTRATION AND PROPERTY RESALE PROGRAM

Ordinance No. 2800 is enclosed. City Ordinance No. 2800 is codified in the El Monte Municipal Code ("EMMC") at Chapter 8.60 (FORECLOSURE OF RESIDENTIAL PROPERTY REGISTRATION).

The specific provisions or sections of the Registration Program which have been amended or added by City Ordinance No. 2800 are noted in the RED-colored text in the enclosed copy of El Monte Municipal Code Chapter 8.60, as most recently amended by City Ordinance No. 2800.

Although the following list of changes to the Registration Program is not complete, some of the key changes in the Registration Program which are included in City Ordinance No. 2800 are summarized as follows:

- a definition of the word "agent" as used in the Registration Program has been added [SEE: EMMC Section 8.60.020, Ordinance No. 2800];
- a definition of the word "mortgage servicer" or "servicer" has been added [SEE: EMMC Section 8.60.020, City Ordinance No. 2800];
- ALL properties for which a notice of default has been recorded on or before July 31, 2010 and where such notice of default has not thereafter been rescinded, BUT which have not previously been registered with the City under the pre-City Ordinance No. 2800 program, must now be registered with the City by September 30, 2012 [SEE: EMMC Section 8.60.030C, City Ordinance No. 2800];
- the application of EMMC Section 17.16.040 to so-called "short sale" or "short pay agreements" is clarified [SEE: EMMC Section 8.60.046D, City Ordinance No. 2800];
- the application of EMMC Section 17.16.040 to mortgage foreclosure trustee auction sale properties is clarified, and foreclosure trustees are instructed to give notice that the dwelling must comply with EMMC Section 17.16.040 to auction purchasers promptly following auction and prior to recordation of the trustee deed [SEE: EMMC Section 8.60.046E and EMMC Section 8.60.082, City Ordinance No. 2800];
- the responsibility of the lender and its agents to give the City written notice of the release of a notice of default and the reinstatement of a mortgage loan, or other notice of disposition of the property following the completion of the foreclosure remedy process, is clarified [SEE: EMMC Section 8.60.071D, City Ordinance No. 2800];

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- the duty of mortgage foreclosure trustees to either verify or complete the foreclosure registration process on behalf of the lender under the Registration Program is clarified [SEE: EMMC Section 8.60.081, Ordinance No. 2800]; and
- as of September 4, 2012, a new schedule of Registration Program fees payable to the City in the amount of Four Hundred Fourteen Dollars (\$414) per property will take effect.

Interested persons are advised to review the enclosed text of City Ordinance No. 2800 as well as the enclosed text of EMMC Chapter 8.60, which has been edited to include the changes enacted by City Ordinance No. 2800.

Interested persons are also invited to contact City officials by email to discuss any question regarding the Registration Program, the Resale Inspection Program and/or City Ordinance No. 2800. Please address any questions or concerns to one of the following:

Minh Thai, Assistant Economic Development Director  
[mthai@elmonteca.gov](mailto:mthai@elmonteca.gov)


Griselda Contreras, Administrative Assistant  
to the Economic Development Director  
[gcontreras@elmonteca.gov](mailto:gcontreras@elmonteca.gov)

Eli Cortez, Foreclosure Division Manager  
[eliascortez@hotmail.com](mailto:eliascortez@hotmail.com) or [foreclosure@elmonteca.gov](mailto:foreclosure@elmonteca.gov)

A copy of this letter will be posted to the City of El Monte website as of Thursday, August 16, 2012, and copies of this letter have also been transmitted by U.S. First Class Mail to certain Participants, including each of the financial institutions who jointly executed the National Mortgage Settlement with the Attorney General for the State of California.

CITY OF EL MONTE

Date: August 15, 2012

By:   
Jesus M. Gomez  
Assistant City Manager  
City of El Monte