



# CITY OF SOUTH EL MONTE

## **FORECLOSURE MANAGEMENT DIVISION**

January 30, 2013

TO: MORTGAGE INDUSTRY STAKEHOLDERS

FROM: CITY OF SOUTH EL MONTE FORECLOSURE REGISTRATION PROGRAM

RE: ADOPTION OF CITY COUNCIL ORDINANCE NO 1168: 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 October 23, 2012, in the City of South El Monte, California (the "City").

The City of South 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. The City has previously adopted an Ordinance regulating the abandoned and foreclosed properties in the City that was codified at Chapter 8.30. On October 23, 2012, the City Council approved Ordinance No. 1168 which repeals the existing Chapter 8.30 (Regulation of Abandoned Properties) of Title 8, "Health and Safety" of the South El Monte Municipal code, and replaces it with two new chapters, Chapter 8.30 (Vacant Building and Maintenance) and Chapter 8.31 (Regulation of Properties in Foreclosure and Abandoned Properties), thereby enacting an amended foreclosure registration program (the "Registration Program").

In its current form, the Registration Program 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 South 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 October 23, 2012, the City Council of the City approved City Ordinance No. 1168 which makes certain changes in the Registration Program. A copy of the text of City Ordinance No. 1168 is enclosed. City Ordinance No. 1168 is codified in the South El Monte Municipal Code ("SEMMC") at Chapter 8.30 (Regulation of Abandoned Properties), and Chapter 8.31 (Regulation of Properties in Foreclosure and Abandoned Properties).

**1415 N. SANTA ANITA AVENUE, SOUTH EL MONTE, CALIFORNIA 91733 / (626) 579-5001**  
**FORECLOSURE MANAGEMENT DIVISION: [foreclosure@soelmonte.org](mailto:foreclosure@soelmonte.org)**



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The specific provisions or sections of the Registration Program which have been added by City Ordinance No. 1168 are noted in the text in the enclosed copy of South El Monte Municipal Code Chapter 8.30, as most recently amended by City Ordinance No. 1168.

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. 1168 are summarized as follows:

- a definition of the word “agent” as used in the Registration Program has been added [SEE: SEMMC Title 8, Section 2, Chapter 8.31.010, Ordinance No. 1168];
- a definition of the word “mortgage servicer” or “servicer” has been added [SEE: SEMMC Section 8.31.010, City Ordinance No. 1168];
- ALL properties for which a notice of default has been recorded on or before November 23, 2012, 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. 1168 program, must now be registered with the City by December 23, 2012 [SEE: SEMMC Section 8.31.030 B. City Ordinance No. 1168];
- the application of SEMMC Section 2, Chapter 8.31.070D to so-called “short sale” or “short pay agreements” is clarified [SEE: SEMMC Section 8.31.070B, City Ordinance No. 1168];
- the application of SEMMC Section 8.31.080 to mortgage foreclosure trustee auction sale properties is clarified, and foreclosure trustees are instructed to give notice that the dwelling must comply with SEMMC Section 2, Chapter 8.31.070 and Chapter 8.31.080 to auction purchasers promptly following auction and prior to recordation of the trustee deed [SEE: SEMMC Section 2. Chapter 8.31.070D and SEMMC Section 8.31.070E, City Ordinance No. 1168];
- 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: SEMMC Section 8.31.100, City Ordinance No. 1168];
- 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: SEMMC Section 2. Chapter 8.31.200, Ordinance No. 1168]; and
- As of November 23, 2012, a new schedule of Registration Program fees payable to the City in the amount of Five Hundred and Seventy Five Dollars (\$575) per property will take effect.

Interested persons are advised to review the enclosed text of City Ordinance No. 1168 as well as the enclosed text of SEMMC Chapter 8.30 and SEMMC Chapter 8.31, which has been adopted to include the changes enacted by City Ordinance No. 1168.

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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. 1168. Please address any questions or concerns to the following:

Foreclosure Management Division  
[foreclosure@soelmonte.org](mailto:foreclosure@soelmonte.org)  
626-579-5001

A copy of this letter will be posted to the City of South El Monte website as of Monday, February 4, 2013, 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 SOUTH EL MONTE

Date: January 30, 2013

By: \_\_\_\_\_  
Manuel A. Mancha  
Director of Community Development  
City of South El Monte  
[mmancha@soelmonte.org](mailto:mmancha@soelmonte.org)

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