

Senate Resolution 1186

By: Senator Unterman of the 45th

## A RESOLUTION

- 1 Creating the Senate Study Committee on Foreclosure Reform; and for other purposes.
- 2 WHEREAS, current Georgia law provides for nonjudicial foreclosure of home mortgages
- 3 which prevents oversight and denies citizens access to their day in court; and
- 4 WHEREAS, in the past, homeowners knew who held their mortgages and could easily call
- 5 the bank to discuss any issues they were having with making payments; however, today,
- 6 mortgages are commonly bundled together and transferred electronically without the
- 7 knowledge or consent of homeowners; and
- 8 WHEREAS, lenders often are unable to track these transfers, and the validity of who actually
- 9 holds a mortgage or note is in question; and
- 10 WHEREAS, the nation's five largest mortgage servicers agreed to a \$25 billion national
- 11 settlement for allegations of robo-signing foreclosure documents; and
- 12 WHEREAS, the settlement addressed past mortgage loan servicing and foreclosure abuses
- 13 and fraud and provided substantial financial relief to borrowers harmed by bank fraud; and
- 14 WHEREAS, analysis of how these funds were distributed is necessary, including how
- 15 Georgia has spent its share of the \$4.25 billion handed down to the states; and
- 16 WHEREAS, dual tracking is a common practice in the lending industry where a bank
- 17 pursues foreclosure proceedings at the same time it is negotiating terms with a homeowner
- 18 on a loan modification program or short sale of the property; and
- 19 WHEREAS, often, homeowners are unaware a foreclosure is imminent because they are
- 20 given a false sense of security due to being in constant contact and negotiating with their
- 21 lender; and

22 WHEREAS, study is needed to determine if the current foreclosure process and procedures  
23 can be reformed to better protect Georgians from fraud and undue hardship.

24 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE that there is created the Senate  
25 Study Committee on Foreclosure Reform to be composed of four members of the Senate and  
26 four members of the public to be appointed by the President Pro Tempore of the Senate and  
27 the deputy commissioner of banking and finance for nondepository financial institutions.  
28 The President Pro Tempore of the Senate shall designate a chairperson from among the  
29 appointees. The committee shall meet at the call of the chairperson.

30 BE IT FURTHER RESOLVED that the committee shall undertake a study of the above  
31 issues and recommend any actions or legislation that the committee deems necessary or  
32 appropriate. The committee may conduct such meetings at such places and at such times as  
33 it may deem necessary or convenient to enable it to exercise fully and effectively its powers,  
34 perform its duties, and accomplish the objectives and purposes of this resolution. The  
35 members of the committee shall receive no compensation for their services on the committee  
36 and shall not be reimbursed for expenses incurred by them in the performance of their duties  
37 as members of the committee. The funds necessary to carry out the provisions of this  
38 resolution shall come from the funds appropriated to the Senate. The committee shall  
39 publish a report of its findings and recommendations which may include suggestions for  
40 proposed legislation. Such report shall be made on or before December 1, 2014. The  
41 committee shall stand abolished on December 1, 2014.