

RESOLUTION

Calling on the Sheriff of the City of Philadelphia to request an Order from the President Judge of the Court of Common Pleas of the First Judicial District of Pennsylvania to temporarily stay all mortgage and tax foreclosure sales until certain conditions are met, and further asking the President Judge to issue the aforementioned Order

WHEREAS, On March 10, 2021, the Philadelphia Sheriff's Office announced that it had contracted with online auction company Bid4Assets (Bid4Assets.com) to resume sheriff sales of Philadelphia property subject to mortgage and tax foreclosures; and

WHEREAS, In April 2021, the Sheriff's Office conducted the first mortgage and tax sales since the beginning of the COVID-19 pandemic via the Bid4Assets platform; and

WHEREAS, There are currently dozens of mortgage foreclosure sheriff sales and tax foreclosure sheriff sales scheduled to go forward in May of 2021, and thousands more in the months that follow, including numerous owner-occupied properties, properties with tangled titles, and community gardens; and

WHEREAS, On April 22, 2021, City Council's Committee on Law & Government held a hearing on the Sheriff's decision to resume sales via the virtual Bid4Assets platform; and

WHEREAS, Homeowner advocates expressed concern at the hearing that owner-occupied properties were listed for both mortgage and tax sales in April 2021 despite repeated public statements that no owner-occupied properties were scheduled to be sold; and

WHEREAS, Homeowner advocates noted that the Office of Judicial Records remains open by appointment only, limiting self-represented litigants' abilities to file emergency petitions to postpone sales; and

WHEREAS, Several community members and advocates testified about their concerns that the change to virtual sales may result in out-of-town investors purchasing parcels, which may have an adverse effect on former owners as well as the surrounding community; and

WHEREAS, As a result of the COVID-19 pandemic, over 10 million homeowners nationwide are unable to stay current on their mortgage payments, and where homeowners of color make up a disproportionate share of those whose loans are delinquent or in default; and

WHEREAS, Philadelphia residents are also experiencing hardship in paying their property tax and utility bills as a result of the COVID-19 pandemic and many have had to prioritize other expenses; and

WHEREAS, The U.S. Department of Treasury announced in late April that under the Homeowner Assistance Fund, part of the American Rescue Plan, passed by Congress and signed into law by President Joe Biden, Pennsylvania will soon receive over \$350 million to help homeowners who

have fallen behind on their mortgage payments and property taxes as a result of the pandemic, with an initial payment of \$35 million to be distributed to Pennsylvania in the coming weeks; and

WHEREAS, These funds have the potential to save many homes from both mortgage and tax foreclosure once they are distributed, but it will likely not be before July or August 2021 that disbursements are made on behalf of homeowners under this plan; and

WHEREAS, Many protections that are in place to protect homeowners, such as foreclosure moratoriums and payment forbearances, will be phased out in the coming months and new filings of mortgage and tax foreclosure cases will resume before homeowners can take full advantage of the relief money on the way; and

WHEREAS, Many homeowners in Philadelphia are at risk of immediate foreclosure actions and sheriff sales, including those homeowners whose mortgages are not subject to a moratorium, homeowners who qualify for a forbearance but have not enrolled in one, homeowners whose forbearances are nearing an end, and homeowners whose homes are at risk because of property tax foreclosure. As of December 2020, homeowners in predominately Black and Hispanic neighborhoods were more likely to be “needlessly delinquent,” in that they would qualify for a forbearance but have not enrolled; and

WHEREAS, Under similar circumstances in the past, the Sheriff of the City of Philadelphia has sought and obtained from the Philadelphia Court of Common Pleas a stay of sheriff sales to permit homeowners to avail themselves of the financial relief that would avoid the need for the sales to take place; and

WHEREAS, In 1983, then Sheriff Joseph Sullivan obtained from the Court of Common Pleas a stay of foreclosure of owner-occupied residential sheriff sales that lasted approximately one year, subject to certain conditions, pending implementation of Homeowners Emergency Mortgage Assistance Program (HEMAP). In 2004, Sheriff John Green obtained from the Court of Common Pleas a stay of foreclosures that lasted approximately four months following a resolution from City Council noting the foreclosure crises resulting from predatory loans at the time; and

WHEREAS, In 2010, then President Judge Pamela Pryor Dembe postponed sheriff sales for approximately three months and provided additional relief designed to enable homeowners to take advantage of the implementation of the Emergency Homeowners Loan Program (EHLA); and

WHEREAS, It is the duty of this Body to protect the citizens and neighborhoods of Philadelphia, and this Body recognizes that proceeding with sheriff sales under the present circumstances will have a detrimental, and perhaps devastating, effect on both; and

WHEREAS, This Body is calling on the Sheriff of the City of Philadelphia to request an Order from the President Judge of the Court of Common Pleas of the First Judicial District of Pennsylvania to temporarily stay all mortgage and tax foreclosure sales, and further asking the President Judge to issue the aforementioned Order until such time as:

- (a) The Homeowner’s Assistance Fund money is available to be disbursed to homeowners in distress due to the COVID-19 pandemic,

- (b) The Sheriff's Office and City Council can further explore the potential effects of conducting sheriff sales via the virtual platform Bid4Assets,
- (c) The Courts are able to provide self-represented litigants with full access to the Court system so that self-represented homeowners may timely file necessary emergency petitions to postpone sales, and
- (d) A system is put in place to connect homeowners to the relief money that will soon become available by scheduling those cases that concern owner-occupied properties for additional court hearings; now therefore be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA Calls on the Sheriff of the City of Philadelphia to request an Order from the President Judge of the Court of Common Pleas of the First Judicial District of Pennsylvania to temporarily stay all mortgage and tax foreclosure sales until certain conditions are met, and further asks the President Judge to issue the aforementioned Order.

Cherelle L. Parker