

RESOLUTION No. 2008-118-805

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, URGING THE FEDERAL RESERVE BOARD TO ENACT RELIEF MEASURES IN RESPONSE TO THE GROWING SUBPRIME MORTGAGE CRISIS IN THE UNITED STATES; PROVIDING FOR INSTRUCTIONS TO THE CITY CLERK; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, in response to the growing subprime mortgage crisis, the U.S. Conference of Mayors called on the Federal Reserve Board to take certain actions in order to protect homeowners from deceitful and abusive practices that often result in mortgage foreclosures, and

WHEREAS, among other things, the U.S. Conference of Mayors requested that the Federal Reserve enact the following relief measures:

1. Apply strict limits to prepayment penalties to prevent borrowers from being trapped in abusive and predatory loans.
2. Requiring escrows for all loans so that homeowners are informed upfront as to the cost of insurance and taxes.
3. Establish clear protections and procedures for presentation of income support documentation and require that the lenders obtain and review the pay stubs, tax forms or other acceptable verification of income from borrowers.
4. Set reasonable debt-to-income ratios so that borrowers do not borrow more than they can afford to pay.

WHEREAS, residents within the City of Miami Gardens have been affected by the subprime mortgage crisis, and

WHEREAS, the City Council believes that it is important to urge the Federal Reserve Board, to take immediate action to remedy this situation,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AS FOLLOWS:

Section 1. . ADOPTION OF REPRESENTATIONS: The foregoing Whereas paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. RECOMMENDATION: The City Council of the City of Miami Gardens hereby recommends that the Federal Reserve Board enact the protections requested by the U.S. Conference of Mayors in its August 15, 2007, letter, a copy of which is attached hereto as Exhibit "A."

Section 3. INSTRUCTIONS TO THE CITY CLERK: The City Clerk is hereby requested to provide a certified copy of this Resolution to the Federal Reserve Board.

Section 4. EFFECTIVE DATE: This Resolution shall take effect immediately upon its final passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS AT ITS REGULAR MEETING HELD ON JUNE 11, 2008.


SHIRLEY GIBSON, MAYOR

ATTEST:


RONETTA TAYLOR, CMC, CITY CLERK

PREPARED BY: SONJA KNIGHTON DICKENS, ESQ.
City Attorney

SPONSORED BY: COUNCILMAN ANDRÉ WILLIAMS

MOVED BY: Vice Mayor Watson
SECOND BY: Councilman Gilbert

Resolution No. 2008-118-805

VOTE: 7-0

Mayor Shirley Gibson	<u>X</u> (Yes)	___ (No)
Vice Mayor Barbara Watson	<u>X</u> (Yes)	___ (No)
Councilman Melvin L. Bratton	<u>X</u> (Yes)	___ (No)
Councilman Aaron Campbell	<u>X</u> (Yes)	___ (No)
Councilman Oliver Gilbert, III	<u>X</u> (Yes)	___ (No)
Councilwoman Sharon Pritchett	<u>X</u> (Yes)	___ (No)
Councilman André Williams	<u>X</u> (Yes)	___ (No)

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City of Miami Gardens

1515 NW 167th Street
Bldg 5., Suite 200
Miami Gardens, Florida 33169



Mayor Shirley Gibson
Vice Mayor Barbara Watson
Councilman Melvin L. Bratton
Councilman Aaron Campbell Jr.
Councilman Oliver Gilbert III
Councilwoman Sharon Pritchett
Councilman André Williams

Agenda Cover Page

Date: June 11, 2008

Fiscal Impact: No Yes

(If yes, explain in Staff Summary)

Funding Source:

Contract/P.O. Requirement: Yes No

Sponsor Name/Department:

Councilman André Williams

Public hearing

Ordinance

1st Reading

Advertising requirement: Yes No

RFP/RFQ # _____

Quasi-Judicial

Resolution

2nd Reading

Yes No

Yes No

TITLE

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Staff Summary

Florida has one of the highest percentages of foreclosure rates in the country; South Florida, specifically Miami-Dade, Broward and Palm Beach counties are the hardest hit areas. Prior to the bursting of the housing bubble, it was fairly easy to qualify for and receive a low adjustable interest rate on properties, with the unspoken understanding that housing prices would continue to escalate. Unfortunately for most, the prices began to fall, while the adjustable interest rates started to climb. It is now estimated that approximately 15 million Americans will have mortgages higher than their homes are worth.

In an attempt to protect the homes from predatory lenders, support this resolution which may save a borrower from being unfairly and unknowingly taken advantage of. Homeownership is the American dream, but transactions should be done fair, and above board, with transparent policy and protection for our citizens.