



Gilbert Cedillo
200 N. Spring Street, Room 470
Los Angeles, CA 90012

Paul Krekorian
200 N. Spring Street, Room 435
Los Angeles, CA 90012

November 7, 2014

RE: Council File No. 12-0647-S6 Los Angeles City Foreclosure Registry Program

Dear Messrs. Cedillo and Krekorian:

I am writing on behalf of the California Mortgage Association ("CMA"), the California Mortgage Bankers Association ("CMBA"), and the United Trustees Association ("UTA") regarding proposed changes to the Los Angeles City Foreclosure Registry Program. I am a member of the board of directors of CMA, and I am general counsel and chief compliance officer for a private mortgage banker and loan servicer in Los Angeles. I have been authorized by CMA, CMBA and UTA to write this letter on their behalf to express their concerns about the pending amendments to the Los Angeles City Foreclosure Registry Program.

The CMA is the leading trade association for private mortgage lenders in California. Established in 1999 through a predecessor organization, CMA has over 250 members, consisting primarily of small business owners who make or arrange loans secured by California real estate.

CMBA is a non-profit association that, since 1955, has been actively engaged in representing the residential and commercial real estate finance industry before the California Legislature, Governor, the Courts, and all regulatory agencies and departments of the State. CMBA is dedicated to protecting access to affordable credit for qualified borrowers, and to promoting fair and ethical lending practices through a system of membership committees and a wide range of educational programs, services, and industry publications. CMBA's membership consists of over two hundred sixty five (265) companies representing a full spectrum of both residential and commercial lenders, servicers, brokers, and mortgage loan originators, as well as a broad range of service providers to those industry participants. Over thirty (30) of its member companies are commercial mortgage bankers who originate or service approximately twenty three billion dollars (\$23 billion) in California real estate loans annually.

UTA, a nonprofit mutual benefit corporation, is primarily comprised of members who are trustees under deeds of trust ("Mortgage") secured by real property states where nonjudicial foreclosure is used. For over 40 years, UTA's has provided education to its members; has filed amicus briefs before courts

(including the United States Supreme Court), and has participated in the legislative and regulatory process at all levels.

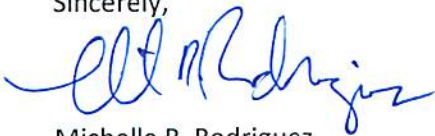
While we understand that lenders should not contribute to deteriorating neighborhoods by failing to maintain foreclosed properties, the proposed ordinance unfairly penalizes lenders for merely foreclosing on a loan secured by property in Los Angeles, whether or not the lender has failed to maintain the property. Penalizing lenders in this way will serve to discourage lending in Los Angeles, and raise the cost of mortgages for borrowers in Los Angeles, which will lead to decreased access to capital for neighborhoods which really need it.

Furthermore, the proposed fee has no reasonable relationship to the role and duties of a trustee under a deed of trust. More importantly, as to UTA members, the duties of a trustee under a deed of trust as to the real property are concluded once the property is sold at trustee's sale and a trustee's deed is executed and delivered to the purchaser whether that purchaser is the lender or some third party. As such, it makes absolutely no sense to require trustee under an extinguished deed of trust responsible for a fee due after it no longer has anything to do with the real property. We question whether this amendment to the ordinance is constitutional particularly when applied to trustees under deeds of trust.

To summarize, we oppose the ordinance changing the Foreclosure Registry Program for the following reasons:

1. Decreases access to credit and capital for neighborhoods that need it.
2. Discourages lending in the City of Los Angeles.
3. Raises the cost of mortgages for borrowers.
4. Unfairly penalizes lenders for foreclosing, rather than for failing to properly maintain foreclosed properties.
5. Bears no relationship to the trustee's duties.
6. The new fee is imposed after the trustee's duties are largely completed.
7. The ordinance, particularly as applied to trustees, may be unconstitutional.

Sincerely,



Michelle R. Rodriguez
General Counsel, Woodland Hills Mortgage Corporation
on behalf of:
California Mortgage Association
California Mortgage Bankers Association
United Trustees Association

cc:

Odell Murry, MAI Financial, President of CMA
Phil Adleson, Adleson, Hess & Kelly, General Counsel of CMA and UTA
Lexi Howard, Executive Director of CMA
Chris George, CMG Financial, Chairman of the Board of Directors of CMBA
Michael Pfeifer, General Counsel of CMBA
Susan Milazzo, Executive Director of CMBA
Joyce Copeland, Wright, Finlay & Zak, President of CMBA
Richard Meyers, Executive Director of UTA
Bob Blumenfield, Los Angeles City Councilmember
Tom LaBonge, Los Angeles City Councilmember
Paul Koretz, Los Angeles City Councilmember
Nury Martinez, Los Angeles City Councilmember
Felipe Fuentes, Los Angeles City Councilmember
Bernard Parks, Los Angeles City Councilmember
Curren D. Price, Jr., Los Angeles City Councilmember
Herb J. Wesson, Jr., Los Angeles City Councilmember
Mike Bonin, Los Angeles City Councilmember
Mitchell Englander, Los Angeles City Councilmember
Mitch O'Farrell, Los Angeles City Councilmember
Jose Huizar, Los Angeles City Councilmember
Joe Buscaino, Los Angeles City Councilmember
Eric Garcetti, Los Angeles City Mayor