



MAINTAINING PROPERTIES IN FORECLOSURE

An Updated Look at
How Communities Across America are
Responding to the Vacant Property
Crisis in Their Own Backyards

A White Paper Report

by Alan Mallach,
and
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Updated by Val Werness
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From 1990 to 1999, Mr. Mallach was Director of the Department of Housing & Development in Trenton, New Jersey, responsible for the city's housing, redevelopment, and economic development activities. He was responsible for starting over 1,200 housing units, converting the historic John A. Roebling Works into a modern mixed-use complex, fostering economic development projects that brought over 1,500 jobs to the city, and implementing an innovative strategy for reclaiming the city's older industrial sites, which led to Trenton's designation as one of only 16 cities in the nation recognized by the Federal government as Brownfields Showcase Communities.

Before taking that position, Mr. Mallach was a planning and real estate consultant, engaged both in affordable housing development and in framing creative

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Mr. Mallach has taught at Rutgers University, Stockton State College, the Antioch University Graduate Center, and the New Jersey School of Architecture. He has published numerous articles on housing, community development, and land use, and his books—*Inclusionary Housing Programs: Policies and Practices* (1984) and *Bringing Buildings Back: From Abandoned Properties to Community Assets* (2006)—are both recognized as the standard works on their respective subjects.

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- *Private Transfer Fees—Potential for Trouble, Problems for the Future?*
- *Government Responses to Climate Change—A Look at State and Local Actions Affecting the Real Estate Industry*
- *Maintaining Properties in Foreclosure—How Communities Across America are Responding to the Vacant Property Crisis in Their Own Backyards*
- *Water Rights—A White Paper Report*
- *Building Codes: Origins and Implementation*
- *Hydraulic Fracturing: Framing the “Fracking” Frenzy*
- *State and Local Taxation—A White Paper Report*
- *Land Banks—Investing in Communities, Banking on Revitalization*
- *Sales Tax on Services—A White Paper Report*

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PREFACE

Starting in late 2006, the United States was gripped by a foreclosure crisis of a magnitude that the nation had not experienced since the Great Depression. While the immediate victims of the crisis were the millions of homeowners and tenants who were losing their homes, the crisis continues to claim even more victims, as the influx of vacant and foreclosed properties destabilized America's neighborhoods and communities, from the brand-new subdivisions of California's Central Valley to tree-lined streets of Victorian houses in Newark, New Jersey, and Cleveland, Ohio. This is a crisis for which no one—not states, cities, local community organizations, or lenders—was well prepared.

While the crisis in our communities was a function of many different factors, and varies widely from state to state and city to city, one element that is central throughout is the issue of property maintenance—how to ensure that properties, as they go through the foreclosure process, are well maintained and do not become a nuisance, devaluing their neighbors' homes and draining their city's resources. Over the years, this issue has garnered significant attention. As of 2009, the federal government had provided

nearly \$6 million under the Neighborhood Stabilization Program to states, counties, and cities to put vacant and foreclosed properties back into productive use. As a result, new public-private partnerships dedicated to addressing this problem emerged across the country. Lenders started acknowledging the problem, and took steps to deal with it. Most importantly, perhaps, creative legal strategies emerged from state and local governments. It is these strategies that are the subject of this White Paper.

Of particular note are the statutes and ordinances that impose the duty on lenders to maintain a property if it becomes vacant once they have initiated a foreclosure action but before they take title at the foreclosure sale. These ordinances have spurred considerable controversy, as might be expected, since they represent a departure from customary practice. While there is little question that—if a borrower abandons a property, or commits waste—a lender has the *right* to enter and repair the property, it is a different matter to assert that the lender has the *obligation* to do so. It is that obligation that is now being imposed on lenders by communities from Chula Vista, California, to New Haven, Connecticut.

Controversial and legally pathbreaking as they may be, these ordinances fit well into a solid American tradition. American law, particularly in the environmental arena, holds that one party may not impose the negative externalities, as the economists say, or spill-overs of its actions onto innocent bystanders. A manufacturer cannot dump the toxic by-products of his processes willy-nilly, but must dispose of them safely. A homebuilder must make sure that his development will not generate run-off that will flood neighboring properties. Vacant properties, neighborhood destabilization, increased crime and fire hazard, as experienced in one community after another, are the

externalities of the foreclosure process. Establishing the principle of lender responsibility for maintaining properties in foreclosure is a key first step in that process.

This White Paper, as updated in 2016, remains more of an interim status report on a work in progress than a final accounting. Although numerous local communities have adopted ordinances that address vacant and abandoned properties since this White Paper was originally published in 2010, local interest in exploring, proposing, and, in some cases, adopting these ordinances is still alive. The foreclosure crisis may have subsided, at least nationally, but its repercussions remain a challenge in many communities. These ordinances are an important first step, and have become the starting point for creative partnerships that engage local officials, lenders, REALTORS[®], and community advocates in finding local solutions to address their community's property maintenance issues. If we can do that, we can begin to mitigate the devastating effects that foreclosures have had on our communities, and lay the groundwork for our communities' continued recovery.

Alan Mallach

January 8, 2010

(as updated by Val Werness,

February 2016)

I. EXECUTIVE SUMMARY

It will come as no surprise to anyone reading this White Paper that the number of foreclosures skyrocketed in the mid- to late-2000s, leaving few communities unscathed. The ripple effects of the crisis extended far beyond the foreclosed properties themselves. Perhaps most notable among these effects was the resulting increase in the number of vacant properties, creating difficult challenges for property owners, neighborhoods, and communities alike. Addressing the issue of property maintenance has been pivotal to meeting these challenges.

Responses to the resulting vacant property crisis emerged at the national, state, and local levels. But, whereas nearly every state has a body of laws addressing general vacant property and property maintenance issues, only a few have specifically targeted properties in foreclosure. The states that had enacted legislation regarding foreclosure properties by 2010 include:

- Arizona
- Illinois
- Nevada
- Arkansas
- Indiana
- New Jersey
- California
- Maryland
- North Dakota
- Connecticut
- Minnesota
- South Dakota
- Idaho
- Montana
- Utah

Since 2010, the following jurisdictions have enacted legislation addressing the issue:

- Iowa
- Michigan
- Oklahoma
- Kentucky
- New York
- Oregon
- Louisiana
- North Carolina
- Virgin Islands
- Maine
- Ohio
- Washington

Some of these relevant state laws are discussed in greater detail below, and a state-by-state summary is included in the Appendix.

County and city governments, on the other hand, have been the most directly responsive, perhaps because the reverberations and ramifications are felt in their own back—and front—yards. In other words, the dramatic increase in vacant properties is experienced most directly, and most immediately, by local communities. Neighborhood deterioration, increased crime, decreased property values, and a reduced tax base are perhaps the most notable local effects attributable to the vacant property crisis, but they are far from the only ones. Because it is the local communities that are most directly impacted by and responsive to the issues of foreclosure property maintenance, they are the primary focus of this White Paper. The city and county programs that are considered in this paper are those of:

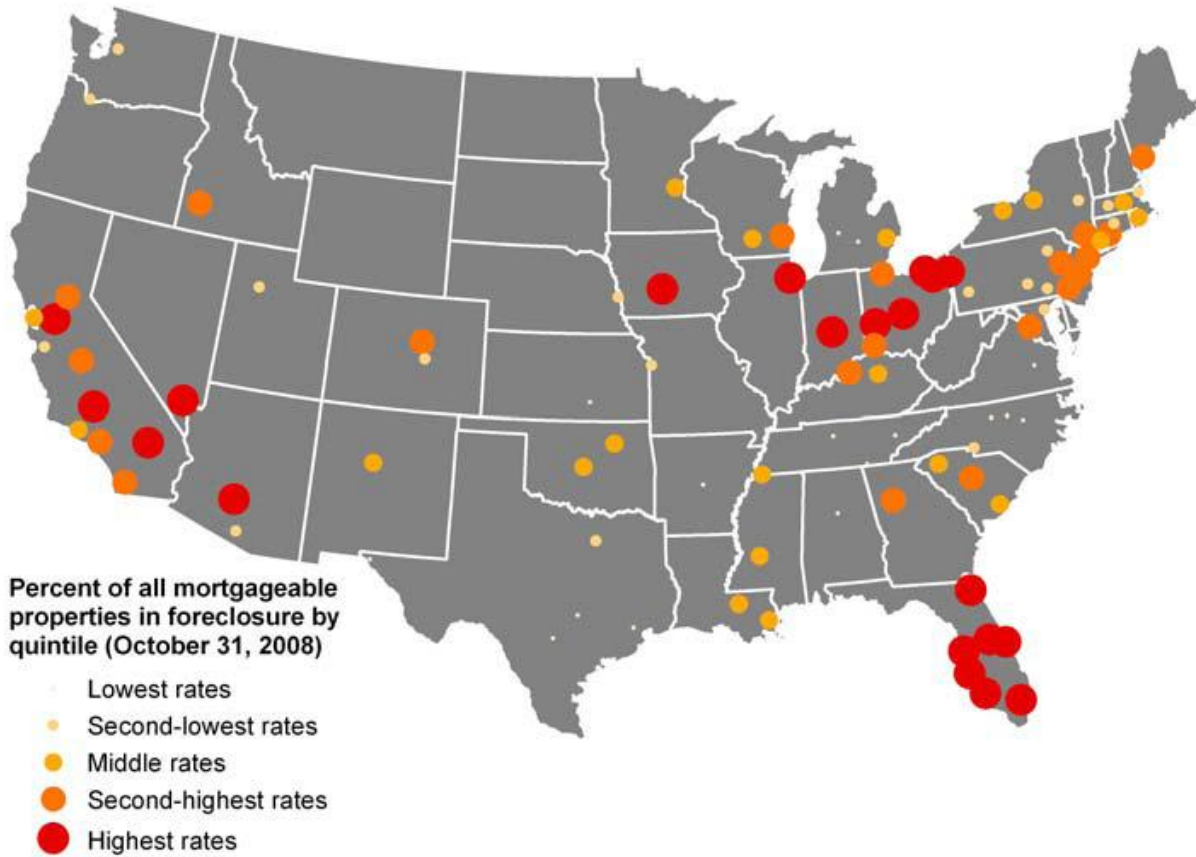
- Boston, Massachusetts
- Cape Coral, Florida
- Cincinnati, Ohio
- Cleveland, Ohio
- Chula Vista, California
- Indio, California
- Los Angeles, California
- Marietta, California
- Hackensack, New Jersey
- Miami-Dade, Florida
- New Haven, Connecticut
- Pittsburg, California
- Providence, Rhode Island
- Raymore, Missouri
- Riverside County, California
- Saint Louis, Missouri
- San Diego, California
- San Jose, California
- Santee, California
- Stockton, California¹

¹ The communities included are meant to provide a representative and illustrative, rather than an exhaustive, review of local enactments.

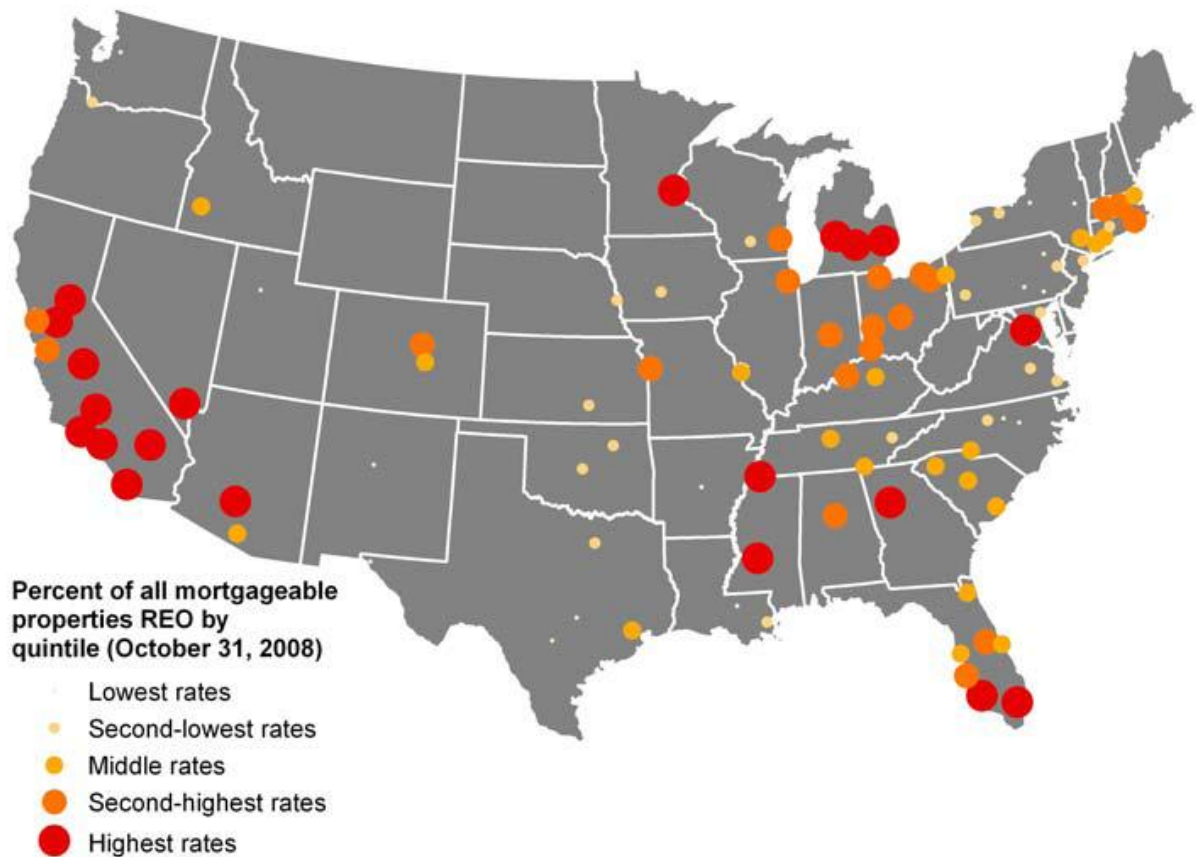
While these are not a statistical sample of all communities, we consider them to be representative of the universe of those cities and counties seeking to address this issue, including both urban and suburban, and small and large, communities.

California communities may seem to be over-represented on this list. This results partly from the fact that the local ordinance most often cited as a national model originated in the California community of Chula Vista, and its influence was greatly felt within the state. California, moreover, has historically been known for its legal activism. Also, the foreclosure crisis severely impacted the state, as the following two maps illustrate.

Figures 1a and 1b. Metro Areas with the Highest Percentages of Properties in Foreclosure and Real-Estate Owned in 2008²



² Source: Alan Mallach, *Stabilizing Communities: A Federal Response to the Secondary Impacts of the Foreclosure Crisis* (Feb. 2009) (based on Brookings analysis of loan performance data from McDash Analytics and housing unit data from the U.S. Census Bureau American Community Survey), available at http://www.brookings.edu/~media/research/files/reports/2009/2/foreclosure-crisis-mallach/02_foreclosure_crisis_mallach_report.pdf.) **Notes:** A *quintile* is defined as the portion of a frequency distribution containing one fifth of the total sample. *REO* means real-estate-owned property, or property that is in the possession of a lender as a result of foreclosure or forfeiture.



Figures 1a and 1b show that although no part of the country was immune, foreclosures were concentrated in certain areas. Hardest hit were two clusters of states: the Sunbelt states of Arizona, California, Florida, and Nevada, where overbuilding was widespread and the collapse of the housing bubble was particularly painful; and the Rustbelt states, such as Ohio, Indiana, and Michigan, where the foreclosure crisis hit an already weakened economic climate.

Although California was an early epicenter of foreclosure property maintenance activity, many communities throughout the United States have acted in a variety of ways to mitigate the effects of the growing vacant and distressed property stock within their

borders. The most common of these newly implemented requirements are registration- and maintenance-based. At this time, more than 1,900 local ordinances addressing registration of vacant properties and properties in foreclosure have been passed or are actively being considered.³ Registration requirements enable cities to identify and locate the responsible parties, and often carry with them a requirement that certain maintenance, security, monitoring, and insurance obligations are also met. These mandates are generally enforced through a variety of mechanisms, including fees, fines, liens, civil actions, and criminal penalties.

The key to effective enforcement is the ability to hold an identifiable and accessible party responsible. In the foreclosure context, the most likely candidate to bear the responsibility is the lender.⁴ As a result, cities are rethinking traditional legal definitions of responsibility, and adding new provisions specifically geared toward imposing lender or creditor responsibility. Although the experiences of the past may have shown a lack of lender interest in maintaining foreclosed properties, increased involvement by lenders in the care of properties on which they are foreclosing is likely in the future, both because of these legal trends as well as increased recognition by the industry of the importance of property maintenance.

³ See Safeguard Properties, *Property Registration*, http://safeguardproperties.com/Resources/Vacant_Property_Registration.aspx.

⁴ Because of the complex nature of the mortgage securitization system, and the many hands through which mortgage loans may pass from origination to foreclosure, the actual “lender” in the strict sense of the originator, is often no longer involved with the property by the time a foreclosure filing may take place. In the absence of a single, straightforward, alternative term, however, we will refer throughout this paper to the entity that initiates the foreclosure, and which may as a result take on certain property maintenance responsibilities, as the ‘lender’, even though it may be any of a number of different entities.



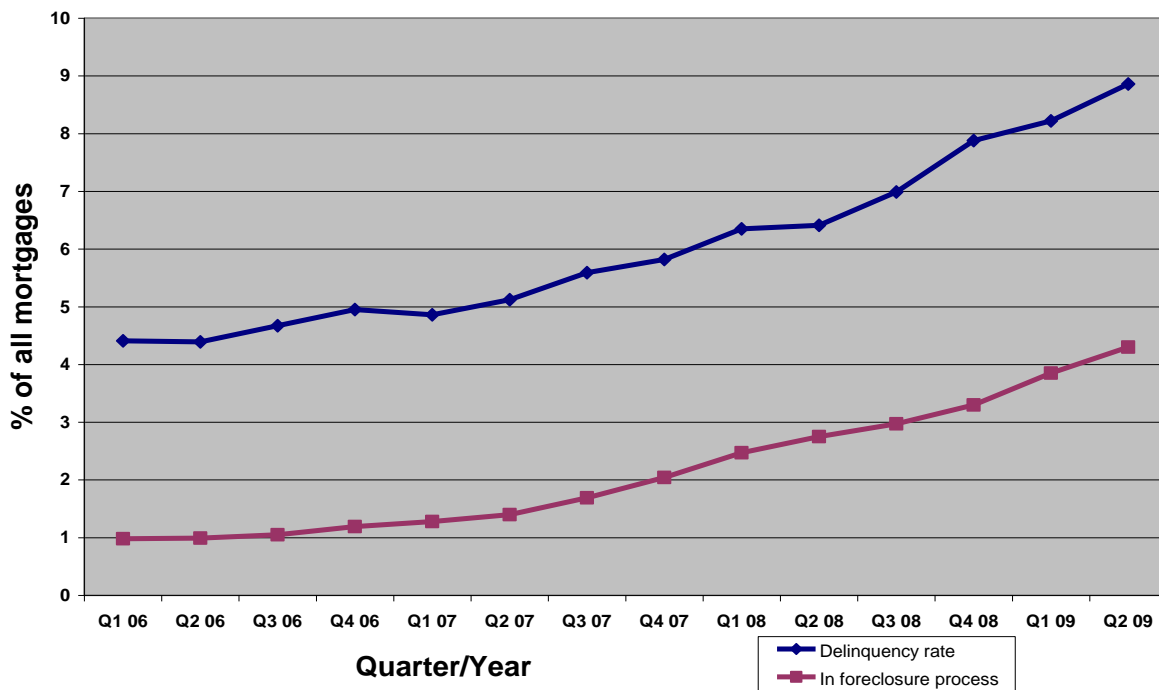
II. DISCUSSION

A. Overview—Foreclosure and Property Impacts

1. *The Foreclosure Crisis and Its Impact on Vacant Properties and the Surrounding Communities*

At the peak of the foreclosure crisis, the issue was a hot topic, frequently discussed in every newspaper throughout the country, on the Internet, and on local and national news programs. Over 1.2 million residential properties went into foreclosure in 2008,⁵ and more than five million American families lost their homes to foreclosure between 2007 and the end of 2014.⁶ As Figure 2 indicates, the increase in foreclosure rates during the peak of the crisis was staggering.⁷

Figure 2 - Mortgage Delinquencies and Foreclosures 2006-2009



⁵ Credit Suisse Fixed Income Research, *Foreclosure Update: Over 8 million Foreclosures Expected* (Dec. 4, 2008).

⁶ Annamaria Andriotis, Laura Kusisto, & Joe Light, *After Foreclosures, Home Buyers Are Back*, Wall Street Journal, Apr. 8, 2015, available at <http://www.wsj.com/articles/after-foreclosures-home-buyers-are-back-1428538655>.

⁷ The table shows the percentage of all loans that were delinquent but *not* in foreclosure, and those in the foreclosure process, by quarter (data: Mortgage Bankers Association Quarterly Delinquency Survey).

Fortunately, national foreclosure rates are currently on a downward trend. Data from 2012 to 2015 shows almost a 50-percent reduction in active foreclosure inventory.⁸ Some of that decline can be attributed to increased employment rates, economic gains, and expanding populations.⁹ This foreclosure decline appears to be continuing throughout 2015. At the end of the first quarter of 2015, the delinquency rate for mortgage loans on residential properties decreased to the lowest level since the second quarter of 2007. (The delinquency rate includes loans that are at least one payment past due, but it does not include loans in foreclosure.) The percentage of loans in foreclosure at the end of the first quarter of 2015 was also lower than both the fourth quarter of 2014 and the first quarter of 2014, and is at its lowest rate since the fourth quarter of 2007.¹⁰

This trend has continued through the second quarter of 2015. As reported in August 2015, the delinquency rate for mortgage loans on residential properties was again at its lowest level since the second quarter of 2007, and, once again, the foreclosure inventory rate was at its lowest level since the fourth quarter of 2007.¹¹

⁸ Ascent Real Estate Solutions, *Foreclosure Inventory Rates Continue to Decline for 2015*, <http://www.ascentres.com/home/industry-news/foreclosure-inventory-rates-continue-to-decline-for-2015/>.

⁹ *Id.*

¹⁰ Mortgage Bankers Association, *Mortgage Delinquencies and Foreclosures Fall in First Quarter* (May 6, 2015), <https://www.mba.org/2015-press-releases/august/mortgage-delinquencies-and-foreclosures-continue-to-drop-in-second-quarter>.

¹¹ Mortgage Bankers Association, *Mortgage Delinquencies and Foreclosures Continue to Drop in Second Quarter* (Aug 13, 2015), <https://www.mba.org/2015-press-releases/august/mortgage-delinquencies-and-foreclosures-continue-to-drop-in-second-quarter>.

Although foreclosures had been an issue years earlier in many distressed communities, the problem became one of national significance in 2006. Skyrocketing unemployment, plunging real estate values, and unsettling interest-rate adjustments forced millions of homeowners and tenants out of their homes, leaving much more than their own lives and financial status in disrepair. Indeed, the repercussions of the mortgage foreclosure crisis extended far beyond those displaced families, the impacted lenders, and the real estate profession, and many communities continue to feel those repercussions today.

The foreclosure crisis affected U.S. states, counties, and cities adversely, though unevenly, in many different ways. Mortgagors forced to vacate their homes had little desire to maintain their property during the long and often arduous foreclosure process, as well as few financial resources to use to make repairs. Once they saw foreclosure as inevitable, they often vacated their properties, sometimes taking fixtures or otherwise damaging their properties in the process. Once

WHERE WERE WE IN 2009?

Although there were some signs of new life in the housing market, as of fall 2009 the crisis was still in full swing. In fact, it was expected to be one to three years before market conditions fully stabilized. An \$8,000 homebuyer tax credit provided a major boost for existing home sales, but the REO inventory continued to grow, pulling the market downward. In many markets, such as California and Arizona, the increase in sales was entirely in the REO sector, while non-distressed home sellers found few buyers. Meanwhile, as many as 15 to 20 percent of all homeowners were "under water," owing more on their mortgages than their homes' values. In key areas such as Arizona and South Florida, these percentages were as high as 40 to 50 percent.

Further, new home construction had all but ground to a halt in most of the U.S. In California, building permits, which ranged from 68,000 to 155,000 annually between 1995 and 2007, were expected to drop below 15,000 in 2009. This drastic decline was unlikely to improve until the flow of REOs onto the market subsided. In the meantime, particularly in the Sunbelt, the collapse of the construction industry triggered increased unemployment, which in turn increased the number of foreclosures.

they left, others could strip the now-vacant properties of whatever was left, including light fixtures, appliances, sinks, and even plumbing, with copper tubing commanding a high salvage price.

These problems were made worse by the nature of the foreclosure process, and by lender practices, both of which continue to complicate the recovery in some areas today. With foreclosures in many states taking well over a year, a property may lie vacant for many months before the foreclosure sale. If the owner is still in the property after the sale, he or she is routinely immediately evicted by the lender. (Until the practice was barred by changes in federal law, lenders routinely evicted tenants in properties foreclosed from absentee owners as well.) In either case, the property may sit vacant for months or years until a new buyer occupies it. In many cases, particularly in older cities like Cleveland and Buffalo, lenders may not even go through with the foreclosure sale, but instead leave the property mid-foreclosure, placing it in limbo.¹² The problem of lender walk-aways increased in Cleveland during the crisis, according to Professor Kermit Lind, who asserted that the issue led to “a danger and a detriment.” He noted that neighbors had to clean up the property, which amounted to a subsidy to the lender. Lenders used the property as a way of collecting a debt, but when the property started to cost them money, they just walked away.¹³

¹² See Sandra Livingston, *Bank Walkaways' from Foreclosed Homes are a Growing, Troubling Trend*, Cleveland Plain Dealer, July 19, 2009, available at http://blog.cleveland.com/metro/2009/07/bank_walkaways_from_foreclosed.html.

¹³ Telephone Interview with Kermit Lind, Clinical Professor & Asst. Dir., Community Advocacy Clinic, Cleveland-Marshall, Cleveland-Marshall College of Law (Sept. 28, 2009). Professor Lind reported that this was a financially staggering problem: in 2009, the City of Cleveland spent \$1 million per month on demolition.

That problem has continued, even as the national housing market has improved. In March 2013, 301,874 “zombie” properties were believed to exist; in each case, the owner had vacated the premises, but the lender had failed to foreclose.¹⁴

The foreclosure crisis clearly triggered a vacant property crisis. Some estimates indicate that as many as 600,000 vacant homes were added to already weak real estate markets between 2006 and 2008.¹⁵ The presence of foreclosed, or “real-estate-owned” (REO), properties can negatively affect the value of all homes in the neighborhoods in which they are situated, not only by deflating real estate values, but also by becoming vacant and neglected.¹⁶ Unoccupied, boarded-up homes with unkept lawns are not only an eyesore; they may attract squatters and trespassers, and can become a magnet for crimes ranging from looting to prostitution. Increased criminal activity leads to an increased need for police and emergency services, while the cities’ tax bases are reduced as a result of the loss of these very same homeowners. And so the problems escalate.

Despite the national downward foreclosure trend in 2015, abandoned houses are still an increasingly common sight in some residential neighborhoods, especially in those areas that were hardest hit during the foreclosure crisis. Cities such as Detroit, Chicago, Cleveland, St. Louis, Memphis, Baltimore, and Philadelphia, are still dealing

¹⁴ David P. Weber, *Zombie Mortgages, Real Estate, and the Fallout for the Survivors*, 45 N.M. L. Rev. 37, 39 (Fall 2014), available at <http://lawschool.unm.edu/nmlr/volumes/45/1/1-weber.pdf>.

¹⁵ Frank S. Alexander, *Land Banking as Metropolitan Policy* (Brookings Inst. Oct. 2008), available at http://www.brookings.edu/papers/2008/1028_mortgage_crisis_alexander.aspx.

¹⁶ For a discussion of the research on the effects of vacant properties on factors other than property value, see *Vacant Properties: The True Cost to Communities* (Washington: National Vacant Properties Campaign, 2006).

with the crisis brought about by the large number of abandoned houses in some or their neighborhoods.¹⁷

The situation in New York is illustrative. The trends in both new foreclosure filings and the number of pending foreclosures confirm that foreclosures remain a significant problem in New York seven years after the peak of the financial crisis. In August 2015, Thomas DiNapoli, the New York State Comptroller, stated that despite the fact that foreclosures in the state had leveled off, the state's problem was "far from resolved."¹⁸ In June 2015, New York's percentage of residential mortgages in some state of foreclosure was three times the national rate and second only to New Jersey.¹⁹ To put this in perspective, the New York rate remains at this high level, even after a 16-percent decline in its foreclosure inventory since June 2014. The problems are unlikely to subside anytime soon. New York's "serious delinquency rate" for June 2015 was nearly double the national average, and New York had a total of 9,981 completed foreclosures for the 12-month period ending June 30, 2015.²⁰

Although the number of new foreclosure filings has leveled off in the last two years, DiNapoli reports that they are still elevated from their pre-recession levels. The state's courts are "experiencing difficulties working through a large backlog of

¹⁷ Kermit J. Lind, *Perspectives on Abandoned Houses in a Time of Dystopia*, Probate & Property Magazine, Mar./Apr. 2015, at 1, available at http://www.americanbar.org/content/dam/aba/publications/journal_of_affordable_housing/volume_24/AH%2024-1_05Lind.authcheckdam.pdf.

¹⁸ Safeguard Properties, "Foreclosure Predicament Persists" in New York (Aug. 17, 2015), http://www.safeguardproperties.com/News/Industry_Updates/2015/08/Foreclosure_Predicament_Persists_in_New_York.aspx.

¹⁹ *Id.*

²⁰ *Id.*

foreclosure cases pending in the State's long and complicated judicial foreclosure process. This large pool of properties in legal limbo weighs on local governments' vitality in many ways, including reducing property values, eroding tax bases and propagating blight."²¹

Are these effects preventable, or at least controllable, and, if so, how? And by whom? These are the questions that have been facing city and county governments throughout the nation. Many have been trying to find answers for several years. Most local officials and administrators agree that as the number of foreclosed, and ultimately vacant, properties in their area increased, *something* had to be done. Although there may already have been statewide vacant property laws on the books, or even local codes mandating property maintenance, existing provisions were not always effective in the foreclosure context. One of the biggest issues in such cases relates to who is responsible for maintaining the property during the foreclosure process, once the original owner has vacated the premises but before title has passed to the creditor or the property has been sold to a new owner.

Banks and other lenders are in the business of finance, not property ownership, but nowadays they may find themselves the sudden and unwitting "owners" of foreclosed properties. Although they generally have the right to enter the property under the terms of the mortgage, they may be unaccustomed to exercising that right, or reluctant to do so.²² Moreover, even if they have the *right*, they may not currently have

²¹ *Id.*

²² The standard Fannie Mae/Freddie Mac mortgage language explicitly grants the lender access to mortgaged property if it is in default or not maintained. But some lenders believe they do not have that right, or should not exercise it, and have acted accordingly. Some lenders simply do not accept that they could be considered responsible; as expressed by the executive director of the Indiana Mortgage

the *obligation* under existing laws and codes to keep up the vacant properties before taking title. Their role and their legal responsibility, however, have been evolving.

While the cities or counties in which the properties are located are not responsible for maintaining privately owned properties, the externalities created by the deterioration of those properties has made it their business. As a result, many local governments have been taking on the vacant property issue, enacting local ordinances to address the problems caused by the foreclosure crisis and its impact on their housing and neighborhoods.

2. National Response to the Foreclosure Crisis

The federal government's role in attempting to lessen the blow of the mortgage crisis on properties and communities, as distinct from the effect on the borrowers themselves, has been limited. In an effort to stem the foreclosure tide and stabilize the housing market, President Obama announced a \$275 billion housing plan in early 2009, dubbed the "Homeowner Affordability and Stability Plan,"²³ which is generally known as "Making Home Affordable." This national program is geared toward keeping homeowners in their homes by providing lenders and servicers with incentives to modify outstanding mortgages, rather than addressing the problems posed by the maintenance of vacant properties resulting from foreclosures. Clearly, though, the two are closely

Banker's Association, "It's the homeowners responsibility—whether they're living in it or not—to maintain it Banks have to be very careful about entering and fixing a home they don't own." See Bob Segall, *Foreclosed and Forgotten* (Nov. 20, 2008), <http://www.wthr.com/global/story.asp?s=9388188>.

²³ See U.S. Dep't of Treasury, Press Room, *Homeowner Affordability and Stability Plan Fact Sheet* (Feb. 18, 2009), <https://www.treasury.gov/press-center/press-releases/Pages/20092181117388144.aspx>.

related. Every mortgage saved through this or other similar programs means one more house is no longer at risk of becoming vacant and potentially unmaintained.

Almost 7 million permanent loan modifications, including private and Home Affordable Modification Program modifications and FHA loss mitigations, occurred during the period beginning with the program's launch in 2009 and ending in April 2013. The U.S. Department of the Treasury has launched additional programs under Making Home Affordable to help homeowners who are unemployed, "underwater" on their loan, or struggling with a second lien. The programs now also include options for homeowners who would like to transition to more affordable living situations using a short sale or a deed-in-lieu of foreclosure. More recent amendments expanded the pool of borrowers eligible for the program, and on June 26, 2014, extended the application deadline for Making Home Affordable programs to December 31, 2016.²⁴

In a more direct response to foreclosed and vacant property concerns, Congress appropriated \$3.92 billion to state and local governments to acquire and rehabilitate foreclosed or vacant properties in 2008, adding another \$2 billion as part of the Obama Administration's economic stimulus program in 2009. A third round of funding in 2010 added an additional \$1 billion as part of the Dodd-Frank Act. While this program, known as the Neighborhood Stabilization Program,²⁵ is supporting many important local efforts to address the foreclosure crisis, it is not considered nearly enough to stem the tide.²⁶

²⁴ U.S. Dep't of the Treasury, *Making Home Affordable: Program Purpose and Overview* (Mar. 6, 2015), <https://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/mha/Pages/default.aspx>.

²⁵ See HUD Exchange, *NSP Eligibility Requirements* (2014), <https://www.hudexchange.info/programs/nsp/nsp-eligibility-requirements/>.

²⁶ See Mallach, *Stabilizing Communities*, *supra* n. 2, available at <http://www.brookings.edu/research/reports/2009/02/foreclosure-crisis-mallach>.

A further important step was taken in 2009, when Congress enacted the Protecting Tenants at Foreclosure Act, which was signed by the President on May 20.²⁷ This Act, in essence, requires lenders to give tenants 90 days' notice before eviction, and to allow tenants to remain in their homes for the duration of any outstanding lease. By maintaining occupancy of many properties that would otherwise become vacant, this law mitigated at least some of the property maintenance issues triggered by foreclosure.

The federal government is in a unique position to provide funding, address inconsistencies in law and practice among states and localities, and provide a uniform framework and enforcement mechanism. Mayors across the nation have called for federal resources to be used to mitigate the impact of the foreclosure crisis in their cities, helping them to acquire vacant and abandoned properties, clean them up, and either rehabilitate or demolish structures on the property.²⁸ "Vacant and abandoned properties, whether residential or commercial, have always created costly problems for cities," observes Tom Cochran, Executive Director and CEO of the United States Conference of Mayors in 2008. "In most cities, the nation's foreclosure crisis is making existing property problems even more severe—and the need for Congressional action on the crisis even more critical."²⁹ The National League of Cities has also moved for

²⁷ Public Law 111-22.

²⁸ United States Conference of Mayors, *Foreclosure Crisis Adds to Existing Vacant and Abandoned Property Problems in Cities* (June 21, 2008), <http://usmayors.org/pressreleases/uploads/vacantenglish.pdf>.

²⁹ *Id.*

federal funding of local initiatives in response to the ripple effects of the foreclosure crisis.³⁰

One mechanism, in addition to funding, urged by advocates for a stronger federal role is the creation of a federal Land Banking Entity (LBE) to acquire distressed properties.³¹ Because state and local entities lack the resources to engage in large-scale purchases of REO properties and problem mortgages, a federal entity may be the perfect vehicle to make and manage such purchases, passing the properties through to state and local entities willing to accept them.³² Other suggestions include a federal tax credit for people who restore and move into homes in areas destabilized by foreclosures and vacancies, and a national mortgage and foreclosure database.³³ These concepts could help federal, state, and local policymakers develop effective strategies to address the crisis.³⁴

Some national entities have acted in certain geographic areas to lessen the problems of vacant and abandoned property. For example, in Chicago, thousands of vacant buildings could leave the registry in 2015, in part because of a new undertaking from Fannie Mae and Freddie Mac. Both entities will make available to nonprofit groups

³⁰ Haya El Nasser, *Foreclosure Crisis Has Ripple Effect*, USA Today, Mar. 11, 2008, available at http://www.usatoday.com/news/nation/2008-03-11-foreclosures_N.htm.

³¹ Mallach, *Stabilizing Communities*, *supra* n.2, available at <http://www.brookings.edu/research/reports/2009/02/foreclosure-crisis-mallach>.

³² *Id.*

³³ The Federal Housing Finance Agency and the Consumer Financial Protection Bureau have created a “National Mortgage Database,” but the project is designed to provide information about the U.S. mortgage market based on only a five-percent sample of residential mortgages. See Federal Housing Finance Agency, *National Mortgage Database*, <http://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/National-Mortgage-Database.aspx>.

³⁴ *Id.*

approximately 4,000 foreclosed homes before those properties are put onto the general market. However, not all foreclosed homes in Fannie Mae's and Freddie Mac's portfolios will be part of the initiative, so a few thousand of their foreclosed homes will potentially contribute to the blight problems in and around Chicago.³⁵

States have also made some concerted efforts at alleviating the problem. For example, in 2012, mortgage lenders and state attorneys general reached a \$25 billion dollar settlement (known as the "National Mortgage Settlement") aimed at preventing new foreclosures and compensating victims for improper or illegal foreclosure tactics. The settlement encouraged additional negotiations between lenders and borrowers, lower interest rates, reduced principal amounts in some cases, principal forbearance for unemployed borrowers, and blight-reduction programs. However, the settlement does not appear to provide an adequate framework that the parties need to act.³⁶

Not all national efforts to address the foreclosure crisis and resulting vacant property problems are governmental or public in nature. NeighborWorks® America,³⁷ for instance, a congressionally chartered national nonprofit corporation dedicated to improving distressed communities by providing financial support, technical assistance, and training for community-based revitalization efforts, has developed a variety of important initiatives both to prevent foreclosure and to address its impacts.³⁸ In

³⁵ Ascent Real Estate Solutions, *Thousands of Vacant Buildings could leave the Registry in Chicago Thanks to New Fannie Mae, Freddie Mac Program* (Apr. 23, 2015), available at <http://www.ascentres.com/home/industry-news/thousands-of-vacant-buildings-could-leave-the-registry-in-chicago-thanks-to-new-fannie-mae-freddie/>.

³⁶ Weber, *supra* n.14, at 61-62, available at <http://lawschool.unm.edu/nmlr/volumes/45/1/1-weber.pdf>.

³⁷ See <http://www.nw.org/network/home.asp>.

³⁸ See NeighborWorks® America, *About Us*, <http://www.nw.org/network/aboutUs/aboutUs.asp>.

partnership with five other major national nonprofit organizations, NeighborWorks® America has created the National Community Stabilization Trust (NCST), an entity that works with lenders and with locally based nonprofit organizations to help get REO properties into responsible hands for rehabilitation and reuse.³⁹

The NCST remains active. In 2014, the Federal Housing Finance Agency, Fannie Mae, and Freddie Mac jointly developed the Neighborhood Stabilization Initiative, which involved a partnership between Fannie Mae and Freddie Mac and the NCST. They launched an initial pilot program in May 2014 in Detroit, Michigan. The pilot was extended in 2015 to Cook County, Illinois. Using the lessons learned from the pilot program, Fannie Mae and Freddie Mac plan to continue to work with NCST to focus on the disposition of REO properties, placing a priority on stabilizing neighborhoods. In November 2015, the Federal Housing Finance Agency announced that it will expand the Neighborhood Stabilization Initiative to 18 additional metropolitan areas. As of December 1, 2015, local community organizations in those metropolitan areas may review and purchase foreclosed properties owned by Fannie Mae or Freddie Mac before the properties are publicly available for purchase.⁴⁰

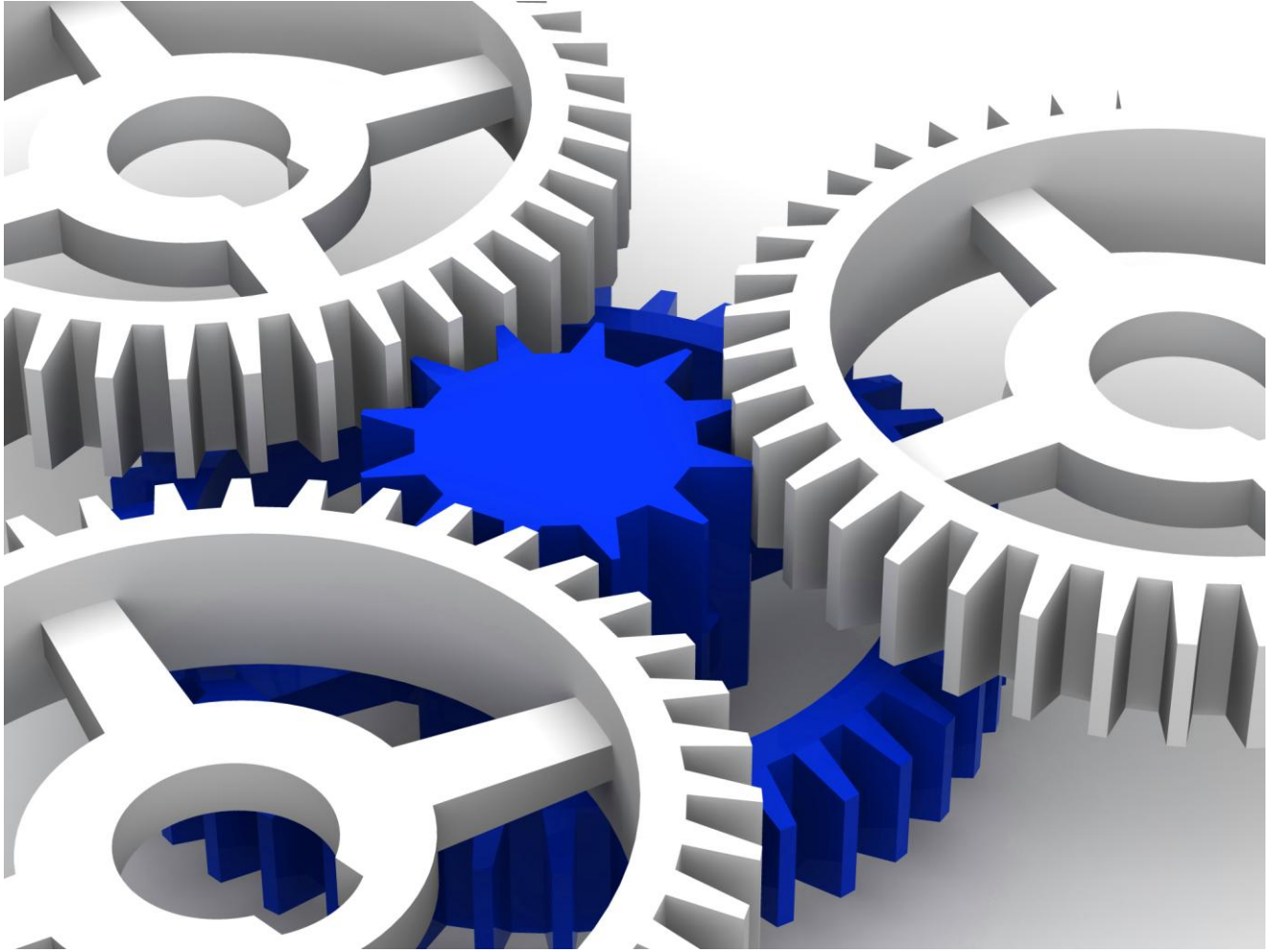
No matter what local steps are taken, in the end a national effort may be required to help alleviate not only the underlying mortgage crisis, but also its many ramifications. “Even the most resilient metropolitan areas cannot adequately address the crisis on

³⁹ For more information on the National Community Stabilization Trust, see <http://www.stabilizationtrust.com/>.

⁴⁰ National Community Stabilization Trust, *FHFA Announces Expansion of Neighborhood Stabilization Initiative* (Nov. 18, 2015), <http://www.stabilizationtrust.com>.

their own,” one observer notes.⁴¹ In the meantime, however, states and local communities are increasingly taking action.

⁴¹ See Bill Barnes, *Cities, Regions Respond to Foreclosure Crisis* (National League of Cities July 6, 2009), available at <http://www.nlc.org/find-city-solutions/city-solutions-and-applied-research/emerging-issues/2009-columns/cities-regions-respond-to-foreclosure-crisis>.



B. Summary of State Action

An increasing number of state legislatures have addressed the problem of maintaining properties during the long limbo of the foreclosure process.⁴² Comprehensive research performed by Legal Research Center, Inc.⁴³ in 2009, indicated that although some states had acted to address various issues in the mortgage lending industry, as well as those created by the flood of mortgage foreclosures, little of the new legislation at that time directly addressed property maintenance issues specific to foreclosure. However, more recently updated research indicates extensive legislative interest in the topic.⁴⁴ From 2009 through 2014, 23 jurisdictions⁴⁵ revised their relevant laws, and several of those changes directly applied to maintenance during foreclosure.

All states have laws that deal generally with property maintenance, by authorizing enforcement of housing and health codes, and permitting public officials to enter onto property in order to abate nuisance conditions, from mowing lawns to demolishing or repairing hazardous structures.⁴⁶ While these laws can often be *applied*

⁴² It must be recognized that the length of this process varies widely from state to state, depending on both the nature of the statutory foreclosure process and the manner in which the process is carried out. In some states, where a speedy non-judicial process is available, such as Georgia or Texas, the length of time after foreclosure that a property is likely to be vacant before conveyance of title is usually quite short. This is in marked contrast to those states, such as Ohio and New Jersey, with slower judicial foreclosure procedures. However, some states with slower foreclosure procedures, including New Jersey, have enacted fast-track foreclosure laws to shorten the process under certain adverse conditions. See Geoffrey Walsh, *Fast Track Foreclosure Laws: Are They Headed in the Right Direction?* (Jan. 2014), available at <http://www.nclc.org/images/pdf/pr-reports/report-fast-track-foreclosure-laws.pdf>.

⁴³ For more about Legal Research Center, see www.legalresearch.com.

⁴⁴ Table 2 in the Appendix summarizes the research for each jurisdiction and includes available links to the relevant statutes. The study focuses on state-law foreclosure property maintenance requirements, and the requirement of insuring property during the foreclosure process. Amendments and new legislation enacted in 2015 are included in the Appendix.

⁴⁵ Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Florida, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Nevada, New Jersey, Oklahoma, Oregon, Texas, Virginia, and Washington.

⁴⁶ See generally Alan Mallach, *Bringing Buildings Back—From Abandoned Properties to Community Assets* (Nat'l Housing Inst. 2006).

to vacant properties, most states do not have laws that provide *explicitly* for the maintenance of vacant properties. The general laws that do exist usually impose obligations only on “owners” of the subject property, which term is sometimes defined narrowly, excluding lenders that do not actually hold title. Since an owner who is evicted from his property or walks away from his mortgage is unlikely to comply with property maintenance requirements, the existence of these laws does not adequately resolve the problem.

One important way to address this issue is to amend existing laws to expand the legal responsibility for property maintenance to include foreclosing lenders, or even to provide specifically for creditor responsibility once foreclosure proceedings commence. State law may require, for instance, that creditors are responsible for property maintenance if the owner vacates at any point after the lender initiates the foreclosure process.⁴⁷ Efforts could also be aimed at reducing the number of vacant properties—a more *proactive*, rather than *reactive*, stance—by enacting state laws that allow a homeowner who loses his home through foreclosure to remain in the property as a tenant, for instance, until the new owners occupy the property.⁴⁸ If a property stays occupied, it is less likely to fall into disrepair and attract the crime and other nuisances that plague vacant, unoccupied properties.⁴⁹ Speeding up foreclosure and moving

⁴⁷ See Mallach, *Stabilizing Communities*, *supra* n.2, available at <http://www.brookings.edu/research/reports/2009/02/foreclosure-crisis-mallach>.

⁴⁸ This proposal was strongly advocated by the Center for Economic Policy and Research; see Dean Baker, *The Right to Rent Plan* (CEPR 2009), <http://www.cepr.net/index.php/publications/reports/the-right-to-rent-plan/>.

⁴⁹ Furthermore, the research literature in economics has established that occupied properties are likely to sell faster and for higher prices than vacant properties. See, e.g., John P. Harding, John R. Knight &

vacant properties into new owners' hands more quickly is also likely to cut down on the stock of vacant housing.

For a variety of reasons, however, few states have pursued such measures, leaving local municipalities largely to act for themselves. Before turning to those local initiatives, however, a look at what *is* happening at the state level is in order.

1. Existing Foreclosure-specific Laws

Various state statutes over the years have addressed the seemingly inevitable problem of property deterioration during foreclosure proceedings in different ways. The statutes generally break down into six general categories, allowing the following remedial actions: (1) appointment of a receiver to maintain and preserve the property (*e.g.*, Arkansas, Illinois, Indiana, and Minnesota); (2) imposition of a lien on the property for maintenance expenses and/or diminution in value (*e.g.*, Arkansas and Arizona); (3) enjoining further action contributing to the deterioration of the property (*e.g.*, Montana, Nevada, North Dakota, and Utah); (4) civil actions for damages (*e.g.*, Arizona, Idaho, and South Dakota); (5) extended occupancy periods (*e.g.*, Maryland); and (6) giving creditors or mortgagees access to the property during the foreclosure process for maintenance or inspections (*e.g.*, Indiana and Illinois). Not all state laws fit neatly into any particular category, and some fall into multiple categories. But as the following discussion shows, states offer a variety of legal avenues to address foreclosure

C.F. Sirmans, *Estimating Bargaining Effects in Hedonic Models: Evidence from the Housing Market*, *Real Estate Economic*, 31:4 (2003); see also F.A. Forgey, R.C. Rutherford & T.M. Springer, *Search and Liquidity in Single-Family Housing*, *Real Estate Economics* 24:3 (1996).

property maintenance concerns. Whether some of these avenues are effective in practice is another matter.

Arkansas's general clean-up lien statute, for example, may be enforced in a circuit-court action for foreclosure by the city or town, or, if the city or town has established a land bank, by a land bank that has been assigned the lien.⁵⁰ Alternatively, the amount determined to be owed for clean-up, plus a ten-percent penalty for collection, may be certified by the municipality's governing body to the tax collector of the county, and collected as delinquent taxes.⁵¹ Also, in an Arkansas mortgage foreclosure proceeding, the court may appoint a receiver if it appears that the mortgaged property is in danger of being materially injured, or if it appears that the value of the property will be insufficient to discharge the mortgage debt and the mortgage conditions have not been performed.⁵²

An **Arizona** statute provides that, after a foreclosure sale, a court may order that the balance due on a mortgage foreclosure judgment constitutes a lien against the judgment debtor's other property, if the sale price was less than the amount of judgment because the real property's value diminished while in the judgment debtor's ownership, possession, or control.⁵³ In addition, a seller of foreclosed property may maintain an

⁵⁰ Ark. Code § 14-54-904(a) (2015).

⁵¹ *Id.*

⁵² Ark. Code § 16-117-208 (2015).

⁵³ [Ariz. Rev. Stat. § 33-729 \(2015\)](#).

action against any person, including the buyer, for damages or to prevent physical abuse or waste of the property.⁵⁴

Under **Idaho** law, when a beneficiary's interest in certain real property becomes "substantially valueless" through no fault of the beneficiary as determined by a court, the beneficiary may bring an action to enforce an obligation owed by the grantor, and bring an alternative claim for foreclosure at the same time.⁵⁵

During **Illinois** foreclosure proceedings, the court may, upon a showing of good cause, appoint a receiver to operate, conserve, and manage the mortgaged real property. The receiver must maintain the property in at least as good condition as existed when the receiver took possession, and is authorized to make repairs and improvements.⁵⁶

The court *may* also appoint a receiver of mortgaged property during foreclosure proceedings in **Indiana**.⁵⁷ However, upon the mortgagee's motion, the court must appoint a receiver if the owner does not occupy the property as his or her principal residence and if any of the following is true: (a) the property appears to be in danger of being lost, removed, or materially injured; (b) the property may not be sufficient to discharge the mortgaged debt; (c) the property's mortgagor or owner has agreed in the writing to the receiver's appointment; (d) a person not personally liable for the mortgage debt has, or is entitled to, possession of the property; (e) the property's owner is not

⁵⁴ [Ariz. Rev. Stat. § 33-749 \(2015\)](#). In practice, it is hard to see that opportunities to collect on such judgments or from such actions would often arise.

⁵⁵ [Idaho Code § 45-1503 \(2015\)](#).

⁵⁶ [735 Ill. Comp. Stat. 5/15-1704 \(2014\)](#).

⁵⁷ [Ind. Code § 32-30-5-1\(4\) \(2015\)](#).

personally liable for the debt secured by the mortgage; or (f) all or any portion of the property is, or is intended to be, leased.⁵⁸ A court may also appoint a receiver to protect or preserve, during the time allowed for redemption, any real estate or interest in real estate sold on execution or order of sale, and to secure rents and profits to the person entitled to them.⁵⁹ A receivership is warranted under Indiana law if the building is either: (a) in an impaired structural condition that makes it unsafe to a person or property; (b) a fire or public health hazard; (c) a public nuisance; (d) dangerous to persons or property due to a violation of a statute or ordinance regarding building condition or maintenance; or (e) vacant and not maintained in a manner that would allow human habitation, occupancy, or use.⁶⁰ A court may appoint a nonprofit housing corporation or any other capable party in the county as a receiver in Indiana.⁶¹ Once appointed, the receiver takes possession and, among other things, ensures repairs.⁶² The record owner will be permitted to remain in possession until the foreclosure sale as long as the owner complies with certain requirements, including committing no waste or causing other damage to the property.⁶³

In 2011, Indiana enacted a new law that gave some persons, including certain creditors, the right, but not the obligation, to perform some maintenance on vacant or

⁵⁸ *Id.*

⁵⁹ [Ind. Code § 32-30-5-1\(6\) \(2015\)](#).

⁶⁰ See Mallach, *Bringing Buildings Back—From Abandoned Properties to Community Assets*, *supra* n.46, at 50. Indiana is one of the states with extensive vacant property legislation.

⁶¹ *Id.* at 54 (citing Ind. Code ch. 36-7-9).

⁶² [Ind. Code § 32-29-7-11\(a\) \(2015\)](#).

⁶³ [Ind. Code § 32-29-7-11\(b\) \(2015\)](#).

abandoned property.⁶⁴ As amended in 2013, the law generally permits a person who suspects that a property may be vacant or abandoned to enter the real property for the following reasons: (a) to inspect the real property visually to determine whether it may be vacant or abandoned without entering any structure; (b) to secure the real property; (c) to remove trash or debris from the grounds; (d) to landscape, maintain, or mow the grounds; or (e) to remove or paint over graffiti. However, if the real property is subject to a mortgage, the creditor may not enter the property if an automatic stay issued by a bankruptcy court bars entry.⁶⁵

Other states have recently passed legislation that addresses a creditor's right to maintain or inspect property in foreclosure. For example, **Louisiana** enacted a provision in 2012 that provides that if a mortgagee or loan servicer receives notice from a governing authority identifying maintenance required on mortgaged property, the mortgagee or loan servicer has the right to enter the property, either directly or through third parties, to perform maintenance. Also, if any mortgaged abandoned residential property is unoccupied, the mortgagee and loan servicer each have the legal right, directly or through third parties, to enter the property and to perform the maintenance necessary to protect and preserve the property until it is sold. Costs and expenses the mortgagee and loan servicer incur for maintaining the property may be added to the loan balance secured by the mortgage and are recoverable from the property's sale proceeds.⁶⁶ In this context, an "owner" is a person with care, custody, or control of the

⁶⁴ [Ind. Code § 34-30-26-5 \(2015\)](#).

⁶⁵ *Id.*

⁶⁶ [La. Rev. Stat. § 9:5396 \(2014\)](#).

property, including, but not limited to, record owners, seizing creditors, mortgage holders, lien holders, loan servicers of foreclosed property pending title transfer, or an agent or assignee of the seizing creditor, mortgage holders, lien holders, or loan servicer.⁶⁷

In 2013, **Illinois** passed legislation providing that, upon motion and notice, a mortgagee may use an expedited judgment and sale procedure for abandoned residential property. In that case, the mortgagee may enter, secure, and maintain abandoned residential property.⁶⁸ As in Indiana and Louisiana, this provision does not require the mortgagee to act.

In **Minnesota**, if property described in a mortgage or a sheriff's certificate is vacant or unoccupied, the mortgage or sheriff's certificate holder may enter the premises to protect them from waste and trespass. If the holder of a sheriff's certificate knows that there is prima facie evidence of abandonment, the holder *must* enter the premises and make "reasonable periodic inspections" and install, change, or repair locks on windows and doors. The holder also *may* enter the premises and board windows, doors, and other openings; install and operate an alarm system; and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activity.⁶⁹ The holder of a mortgage or a sheriff's certificate *may* also make reasonable periodic inspections and take the actions necessary to

⁶⁷ [La. Rev. Stat. § 33:5066 \(2014\)](#).

⁶⁸ [735 Ill. Comp. Stat. 5/15-1505.8\(j\) \(2014\)](#).

⁶⁹ [Minn. Stat. § 582.031, subd. 1\(a\) \(2015\)](#).

protect the mortgaged premises from waste, trespass, or falling below minimum community standards for public safety and sanitation.⁷⁰

In 2011, **Oklahoma** enacted a law providing that upon commencement of an action to foreclose or enforce the remedies in a mortgage, if the plaintiff believes, knows, or has reason to know that the subject property is abandoned or vacant, the plaintiff may seek a court order to protect and preserve the property, if, as a result of the abandonment, there is either (a) physical deterioration and devaluation of the property that is occurring or has occurred; (b) a risk to the public because of potential or actual acts of vandalism, loitering, criminal conduct, or the property's physical destruction or deterioration; or (c) a risk of additional legal process for the violation of a law or ordinance, unpaid taxes, or accrual of liens.⁷¹

In **Maryland**, the *new* owner may take possession under certain conditions even before the transfer of ownership is effected. According to Maryland rules, the purchaser of an interest in real property in a foreclosure action may be entitled to immediate possession, even if the full purchase price has not been paid and the deed has not been transferred, if there is a legal basis for immediate possession, such as waste. If the person in actual possession refuses or fails to deliver possession, the purchaser may file a motion for judgment awarding possession.⁷² This provision reduces the amount of time that homes remain vacant, and thus arguably mitigates the problems associated with foreclosures and vacancies.

⁷⁰ [Minn. Stat. § 582.031, subd. 3 \(2015\)](#).

⁷¹ [Okla. Stat. tit. 46, § 302\(A\) \(2015\)](#).

⁷² Md. Rule 14-102(a).

As in Arkansas, Illinois, and Indiana, the district court in **Minnesota** may appoint a receiver to take immediate possession of a mortgaged property in foreclosure so that the receiver can hold, maintain, and operate the property. The court may appoint the receiver pursuant to an application by the mortgage owner or purchaser at the foreclosure sale, and the application may be part of the foreclosure proceedings or a separate action.⁷³ In 2012, Minnesota significantly amended its laws regarding the appointment of a receiver. As revised, a court *may* appoint a limited receiver before judgment to protect a party that demonstrates an apparent right to property that is "in the possession of an adverse party, and . . . the property or its rents and profits are in danger of loss or material impairment."⁷⁴ A court *must* appoint a limited receiver at any time after the commencement of mortgage foreclosure proceedings and before the redemption period ends if the mortgage (a) secures an original principal amount of at least \$100,000 or is a lien on residential real estate containing more than four dwelling units and (b) is *not* a lien on property that was entirely homesteaded, residential real estate containing four or fewer dwelling units where at least one unit is homesteaded, or agricultural property.⁷⁵ The court *must* also appoint a receiver if the mortgagor has breached a mortgage covenant related to applying tenant security deposits, paying real estate taxes or special assessments when due, paying insurance premiums when due, or "keeping of the covenants required of a landlord or licensor."⁷⁶ After paying its

⁷³ [Minn. Stat. § 582.05 \(2015\)](#).

⁷⁴ [Minn. Stat. § 576.25, subd. 2 \(2015\)](#).

⁷⁵ [Minn. Stat. § 576.25, subd. 5\(a\) \(2015\)](#).

⁷⁶ [Minn. Stat. § 576.25, subd. 5\(b\) \(2015\)](#).

reasonable fees and expenses, the receiver, to the extent possible, must manage the property so as to prevent waste and pay all expenses necessary for the property's normal maintenance.⁷⁷

Ohio law, as revised effective March 23, 2015, provides that a court may appoint a receiver in a mortgage foreclosure action if it appears that the mortgaged property is in danger of being lost, removed, materially injured, diminished in value, or squandered, provided either (a) the property probably is not adequate to discharge the mortgage debt, or (b) the mortgagor has consented in writing to the receiver's appointment.⁷⁸ Similarly, a **Washington** court may appoint a receiver if, *inter alia*, the attached property is in danger of waste, the property's owner has abandoned the property, or the court determines that the property's nature or the case's exigency provides cause for appointing a receiver.⁷⁹

During **Montana** mortgage foreclosure proceedings, a court may issue an injunction, upon good cause shown, restraining the party in possession of real property from doing any act that injures the property.⁸⁰ A **Nevada** court may similarly issue an injunction restraining the party in possession of real property from doing anything to injure the property, both during mortgage foreclosure proceedings and after sale on execution, but before conveyance.⁸¹ After the property is sold on execution, the purchaser may recover damages for any injury to the property by the possessor before

⁷⁷ [Minn. Stat. § 576.25, subd. 5\(c\), \(d\) \(2015\)](#).

⁷⁸ [Ohio Rev. Code § 2735.01\(A\)\(2\) \(2014\)](#).

⁷⁹ [Wash. Rev. Code § 7.60.025\(g\) \(2015\)](#).

⁸⁰ [Mont. Code Ann. § 71-1-227 \(2014\)](#).

⁸¹ [Nev. Rev. Stat. § 40.060 \(2014\)](#).

delivery of possession.⁸² In **North Dakota**, too, a party in possession of real property may be restrained from doing anything to injure the property during mortgage foreclosure proceedings, up until the time of redemption. The North Dakota courts are authorized to consider any remedy to prevent waste.⁸³

The purchaser of property sold pursuant to **South Dakota** foreclosure proceedings may recover damages for injury to the property by the party in possession after the sale, but before possession is delivered.⁸⁴ And finally, a **Utah** court may, upon a showing of good cause, enjoin the party in possession of real property from injuring the property during mortgage foreclosure proceedings or after a sale on execution.⁸⁵

Legislation passed in **Oregon** in 2013 provides that an owner may not neglect the owner's foreclosed residential real property when the property is vacant.⁸⁶ The law defines "owner" in this context as a person, other than a local government, that forecloses a trust deed by advertisement and sale or by suit. "Neglect" includes both the failure to maintain the property and the failure to monitor the property's condition by inspecting it at least once every 30 days.⁸⁷

With the important exception of receivership (see sidebar, below), however, these laws do little to address the problem. In fact, recent legislation in **Nebraska** has

⁸² [Nev. Rev. Stat. § 40.070 \(2014\)](#).

⁸³ [N.D. Cent. Code § 32-19-19 \(2015\)](#).

⁸⁴ [S.D. Codified Laws § 15-19-27 \(2015\)](#).

⁸⁵ [Utah Code § 78B-6-907 \(2015\)](#). See also [Utah Code § 78B-6-909 \(2015\)](#) (setting forth lender's remedies upon environmental impairment to real property when the borrower is in default).

⁸⁶ [Or. Rev. Stat. § 18.995\(2\)\(a\) \(2013\)](#).

⁸⁷ [Or. Rev. Stat. § 18.995\(1\)\(b\), \(c\) \(2013\)](#).

relieved the lender from duty to maintain property during a foreclosure. Effective August 30, 2015, Nebraska law explicitly provides that neither filing a complaint for a mortgage foreclosure or satisfaction, providing required information to a local jurisdiction, nor designating a representative to receive notices “impose[s] upon the complainant a duty to maintain the mortgaged property.”⁸⁸

Primarily designed to protect the mortgagor’s or post-foreclosure purchaser’s interests, the state laws largely rely on after-the-fact legal action against the property owner, whose financial difficulties triggered the foreclosure, and who may be hard to reach and lacking in assets. Thus, they generally do not offer an alternative to action that is specifically focused on maintaining properties in foreclosure.

⁸⁸ [Neb. Stat. § 25-2142 \(2015\)](#).

RECEIVERSHIP

Receivership can be a powerful tool for maintaining vacant or at risk properties and restoring them to a sound, habitable condition. Many states (such as Illinois) have specific receivership statutes that apply only in foreclosure situations, while others (including Indiana, Massachusetts, and California) have broadly written statutes that can be used in many different specific situations. Under some receivership laws, a municipality (or in some cases, another entity such as a non-profit developer) may bring an action in court to obtain control of a vacant property in order to rehabilitate it and restore it to productive use. In order to prevent the receivership, the owner—or the lender—must step forward and restore the property. Once the property has been restored, it can be sold, although under the laws of some states, the owner can regain control by making the city or nonprofit whole.

For example, Ontario, California, a large suburban city in San Bernardino County, has aggressively pursued receiverships as a tool to deal with vacant properties in foreclosure. From 1999 through 2009, it steered 25 properties through the receivership process, but city officials believed that the threat of receivership led owners of hundreds of other properties, including many lenders holding REO properties, to bring those properties up to code.

Lenders frequently move for a receiver in commercial foreclosures, seeking the appointment of a receiver when a commercial mortgage loan is in default or in foreclosure. Their goal is to preserve the mortgaged property whenever there is a risk of property damage or lost rental income. In that case, the appointed receiver typically takes possession of the mortgaged property, pays expenses (including insurance and taxes), and accounts for rents and other proceeds.

Receivership is not an easy process. It requires a court proceeding, qualified persons to act as receivers, and a source of up-front money for the rehab needed. California has a cadre of professional receivers, but many states do not. Still, it is a valuable and powerful tool, both as a way of gaining control of properties and restoring them to active use, and, in some cases, as a way to motivate owners and lenders to do so themselves.

2. State Legislation Targeting the Problem

When NAR first examined the relevant state laws early in 2010, several states, including California, Connecticut, Nevada, and New Jersey, had recently enacted statewide legislation specifically aimed at addressing the problem of maintaining properties during the foreclosure process. Since 2010, all of those statutory schemes have been amended or augmented, and several additional states, such as Louisiana and Michigan, have enacted new statutory schemes addressing the issue.

a. California

As noted in 2010, nearly 850,000 new foreclosures were filed in California in 2008 alone.⁸⁹ California's foreclosure rate—one in every 218 households—was more than double the national average of one in every 488 housing units,⁹⁰ while six of the ten metropolitan areas in the nation hit hardest by foreclosure were located in California.⁹¹ As a response to that crisis, lawmakers in California introduced multiple foreclosure-related bills before the state legislature in 2008. Although some measures met strong opposition from banking and lending interests, a compromise bill was ultimately signed into law in the summer of 2008.⁹² California has since amended those laws and enacted additional related statutes.⁹³

⁸⁹ Richard Lam, *Clean It or Lien It: Dealing with Foreclosed or Abandoned Properties*, Western City, Mar. 2009, available at <http://www.westerncity.com/Western-City/March-2009/Clean-It-or-Lien-It-Dealing-with-Foreclosed-or-Abandoned-Properties/>.

⁹⁰ *Id.*

⁹¹ *Id.* (citing RealtyTrac U.S. Foreclosure Market Report). They included Merced, Modesto, Stockton, Riverside-San Bernadino, Bakersfield, and Vallejo-Fairfield.

⁹² *Id.* at n.7.

⁹³ See, e.g., [2012 Cal. Stat. ch. 201](#).

California law allows local governments to impose a \$1,000 per day fine on financial institutions that fail to maintain vacant properties after taking them in foreclosure sale.⁹⁴ The legal owner usually has thirty days to remedy any violations.⁹⁵ However, the governmental entity may provide less than 30 days' notice to remedy a violation if the condition threatens public health or safety.⁹⁶ "Failure to maintain" vacant property means:

- failure to take care of the property's exterior, or otherwise allowing a public nuisance, including allowing "excessive foliage growth that diminishes the value of surrounding properties";
- failure to prevent trespassers or squatters on the property; and
- failure to prevent mosquito larvae from growing in standing water.⁹⁷

Effective January 1, 2011, before imposing a fine or penalty for failure to maintain a vacant property that is subject to a notice of default, purchased at a foreclosure sale, or acquired through foreclosure, a governmental entity must provide the property's owner with notice and an opportunity to correct a violation. However, this notice requirement does not apply if the governmental entity determines that a specific property condition threatens public health or safety.⁹⁸ An assessment or lien to recover a governmental

⁹⁴ Ruth Simon, *Vacant-Property Fees Add to Mortgage Firms' Woes*, Wall Street Journal, July 29, 2008, available at <http://www.wsj.com/articles/SB121729136482591693>.

⁹⁵ [Cal. Civ. Code § 2929.3\(a\)\(1\) \(2014\)](#).

⁹⁶ [Cal. Civ. Code § 2929.3\(c\) \(2014\)](#).

⁹⁷ [Cal. Civ. Code § 2929.3\(b\) \(2014\)](#).

⁹⁸ [Cal. Civ. Code § 2929.4 \(2014\)](#).

entity's costs to abate a nuisance may not exceed the abatement's actual and reasonable costs.⁹⁹

A financial institution has the authority to undertake repairs to a property acquired through foreclosure.¹⁰⁰ Furthermore, the current California law specifically grants a secured lender the right to enter and inspect the property after the commencement of foreclosure proceedings in order to determine the existence and magnitude of a hazardous substance release.¹⁰¹ Since the lender was liable for maintenance under pre-existing California law once it took title to the property through foreclosure, the impact of these laws may not be great. However, the law does streamline the process and increase the fines that can be imposed for noncompliance.

b. Connecticut

On June 25, 2009, the Connecticut Legislature passed an “Act Concerning Neighborhood Protection,” which became effective on October 1, 2009.¹⁰² As amended in 2011, the act, among other things, establishes a registration system that requires any person who brings an action to foreclose a mortgage on residential property and any person in whom title to residential property vests through a foreclosure action to register the property locally. Registrants who fail to comply with any provision of the Connecticut General Statutes, or with a local ordinance concerning repair or maintenance of real property, are subject to various enforcement mechanisms. However, neither a

⁹⁹ [Cal. Civ. Code § 2929.45 \(2014\)](#).

¹⁰⁰ [Cal. Civ. Code § 2932.6\(a\) \(2014\)](#).

¹⁰¹ [Cal. Civ. Code § 2929.5\(a\), \(e\)\(5\) \(2014\)](#).

¹⁰² [Conn. Pub. Act. No. 09-144](#).

foreclosing party's registration nor its failure to register creates a legal obligation on the foreclosing party's part to repair, maintain, or secure the residential property for which a registration is required before the title passes to the foreclosing party.¹⁰³ Municipalities are authorized under the statute to impose a special assessment on housing that is blighted. Any unpaid special assessment constitutes a lien on the property. The ordinance may authorize a municipality to designate an agent who has the right to enter property during reasonable hours to remediate blighted conditions, provided the agent may not enter a dwelling house or other structure.¹⁰⁴

Additionally, the Connecticut statute provides that municipalities are required to examine any "nuisances and sources of filth injurious to the public health," and to abate or remediate the same, or to order the owner or the occupant of property with a nuisance or filth to remove, abate, or remediate the condition. Municipal health directors may institute an action to obtain an injunction. Abatement, remediation, or removal of a nuisance or filth is at the owner's or occupant's expense, and owners or occupants who fail to abate or remediate a nuisance or to remove filth are subject to a civil penalty of \$250 per day. Municipalities that incur expenses for inspection, repair, maintenance, demolition, or removal in order to remedy a blighted condition or to make property safe and sanitary may recover such expenses from the property owner.¹⁰⁵

Most probably reflecting industry pressure, this legislation bars local jurisdictions in Connecticut from adopting a property maintenance ordinance "that applies only to the

¹⁰³ [Conn. Gen. Stat. § 7-148ii \(2015\)](#).

¹⁰⁴ [Conn. Gen. Stat. § 7-148ff \(2015\)](#).

¹⁰⁵ [Conn. Gen. Stat. § 19a-206 \(2015\)](#).

property maintenance activities of a person who holds a mortgage on or title to real property . . . obtained by foreclosure,” although ordinances enacted prior to the state law (such as New Haven’s) remain in effect. However, Connecticut law also provides that a municipality may enact or enforce an ordinance that applies to all real property owners within the municipality, without regard to how the owner acquired title.¹⁰⁶

c. Nevada

Pursuant to a 2009 Nevada Act, effective October 1, 2009, the purchaser in foreclosure of vacant residential property must maintain the exterior of the property according to newly enacted and specifically delineated statutory requirements, regardless of whether the new owner occupies such property.¹⁰⁷ The maintenance requirements include limiting excessive growth of foliage, preventing mosquito larvae from growing in standing water, and preventing any other condition that will create a public nuisance. Violators of the new statute are subject to a civil penalty of up to \$1,000 per day.¹⁰⁸

d. New Jersey

Perhaps the most far-reaching attempt to address the question of property maintenance during the pendency of foreclosure proceedings was made by the New Jersey Legislature, as part of its “Mortgage Stabilization and Relief Act,” enacted in

¹⁰⁶ [Conn. Gen. Stat. § 7-148jj \(2015\)](#).

¹⁰⁷ [Nev. Rev. Stat. § 40.464\(1\) \(2014\)](#). As in California, pre-existing law would make the owner responsible for property maintenance.

¹⁰⁸ [Nev. Rev. Stat. § 40.464\(2\) \(2014\)](#).

January 2009.¹⁰⁹ After subsequent amendments, New Jersey statutes provide that a creditor foreclosing on a mortgage on residential property must, within 10 days of serving the summons and complaint, notify the municipal clerk that it has filed a summons and complaint to foreclose. That notice must contain the name and contact information for the creditor's representative who is responsible for receiving complaints of property maintenance and code violations. If the creditor is located out-of-state, the notice must contain the name and contact information of an in-state representative or agent who is responsible for the "care, maintenance, security, and upkeep" of the property's exterior if it becomes vacant and abandoned.¹¹⁰ The law further provides that:

If the owner of a residential property vacates or abandons any property on which a foreclosure proceeding has been initiated or if a residential property becomes vacant at any point subsequent to the creditor's filing the summons and complaint in an action to foreclose, but prior to vesting of title in the creditor or any other third party, and the exterior of the property is found to be a nuisance or in violation of any applicable State or local code, the local public officer, municipal clerk, or other authorized municipal officer shall notify the creditor or the representative or agent of an out-of-State creditor, as applicable, which shall have the responsibility to abate the nuisance or correct the violation in the same manner and to the same extent as the title owner of the property, to such standard or specification as may be required by State law or municipal ordinance.¹¹¹

Finally, the law specifies that if the creditor fails to correct a violation or to abate a nuisance on a property subject to this law, and the municipality expends public funds to do so, it has the same recourse against the creditor as it would have against an owner.

¹⁰⁹ [N.J. Pub. Law 2008, ch. 127, § 17\(b\)](#).

¹¹⁰ N.J. Stat. § 46:10B-51(a)(1) (2015).

¹¹¹ N.J. Stat. § 46:10B-51(b) (2015).

Under pre-existing New Jersey law,¹¹² this includes the power to obtain a judgment against other assets of the owner, as well as to place a lien on the property.

e. Louisiana

As of October 1, 2012, Louisiana law provides that if a mortgagee or loan servicer receives notice from a governing authority identifying maintenance that is required on mortgaged property, the mortgagee or loan servicer has the right to enter the property, either directly or through third parties, to perform maintenance. Also, if any mortgaged abandoned residential property is unoccupied or abandoned, the mortgagee and loan servicer each have the legal right, directly or through third parties, "to enter onto the property and to perform maintenance to protect and preserve the property until it can be sold at private sale or sheriff's sale."¹¹³

Costs and expenses the mortgagee and loan servicer incur for maintaining the property may be added to the loan balance secured by the mortgage and are recoverable from the property's sale proceeds.¹¹⁴

f. Michigan

The Michigan legislature has recently passed legislation addressing property maintenance and possession during foreclosure. Previously, the law simply provided that if a trustee bids for and acquires mortgaged property at foreclosure, the trustee may

¹¹² N.J. Stat. § 55:19-100 (2015).

¹¹³ [La. Rev. Stat. § 9:5396 \(2014\)](#).

¹¹⁴ *Id.*

repair and maintain the property until a sale or other disposal of the property.¹¹⁵ However, statutes amended or adopted in 2014 provide that during the redemption period following a foreclosure sale, the borrower is liable to the purchaser at the sale (or a mortgagee or other holder of the obligation secured by the mortgage that takes title to the property at the sale) for "any physical injury to the property beyond wear and tear resulting from the normal use of the property if the physical injury is caused by or at the direction of the mortgagor or other person liable on the mortgage."¹¹⁶

The purchaser may conduct any number of exterior inspections during the redemption period.¹¹⁷ If the mortgagor unreasonably refuses an inspection or if property damage is imminent or has occurred, the purchaser may immediately bring summary proceedings to possess the property or file an action for any other relief necessary to protect the property from damage. However, the purchaser may not bring summary proceedings for possession if the damage or condition is repaired or corrected within seven days after notice, or if the mortgagor and the purchaser agree on procedures and a timeline to repair the damage or correct the condition and the procedures are completed by the agreed date.¹¹⁸ In determining whether to enter judgment for possession, a judge must consider, among other things, whether the mortgagor has taken appropriate steps to repair the damage or correct the condition and to secure the

¹¹⁵ [Mich. Comp. Laws § 600.3170 \(2015\)](#).

¹¹⁶ [Mich. Comp. Laws § 600.3278\(1\) \(2015\)](#).

¹¹⁷ [Mich. Comp. Laws § 600.3238\(3\) \(2015\)](#).

¹¹⁸ [Mich. Comp. Laws § 600.3238\(6\) \(2015\)](#).

property from further damage."¹¹⁹ In this context, "damage" includes, but is not limited to the following:

- the failure to comply with local ordinances regarding property maintenance or blight prevention;
- an exterior condition that presents a "significant risk" to the property's security or of "criminal activity occurring on the property";
- stripped siding;
- "deterioration below, or being in imminent danger of deteriorating below, community standards for public safety and sanitation that are established by statute or local ordinance"; or
- a condition that would justify recovery of the premises pursuant to Mich. Comp. Laws § 5714(1)(d).¹²⁰

A government-sponsored enterprise, financial institution, mortgage servicer, or credit union that becomes a property's owner after foreclosure must adhere to all ordinances relating to vacant property or blight violations adopted by a city that has established an administrative hearings bureau.¹²¹

Thus, with the exception of New Jersey and states with applicable receiver or other court-ordered protection provisions, it does not appear that any state has explicitly and

¹¹⁹ [Mich. Comp. Laws § 600.3238\(9\) \(2015\)](#).

¹²⁰ [Mich. Comp. Laws § 600.3238\(11\) \(2015\)](#).

¹²¹ [Mich. Comp. Laws § 117.4q\(21\) \(2015\)](#).

thoroughly addressed the thorny question of the status of property after initiation of foreclosure proceedings, but before the conveyance of title through a foreclosure sale.



C. Summary of Local Research

At the beginning of 2010, when NAR first researched local ordinances related to vacant property, the foreclosure crisis was adding to an existing problem for cities with a growing stock of vacant and abandoned properties. Communities throughout the nation were facing a mounting challenge to maintain and secure these properties, while trying to cover increased safety and other public service expenses with a shrinking tax base. The quality of life in neighborhoods throughout the country was declining as more and more residents were greeted each day with the sight of boarded-up windows, overgrown lawns, and undrained, mosquito-breeding swimming pools, as well as an increased fear of crime.¹²²

Reports in 2015 indicate that both the delinquency rate for mortgage loans on residential properties and the percentage of loans in the foreclosure process are declining nationally. In fact, for the two most recent quarters, both rates were at their lowest quarterly levels since 2007. In May 2015, Joel Kan, the Associate Vice President of Industry Surveys and Forecasting at the Mortgage Bankers Association[®] (MBA), noted that the foreclosure inventory rate had decreased in each of the last twelve quarters and was at the “lowest level since the fourth quarter of 2007” and “about half of where it was at its peak in 2010.”¹²³ The trend continued in the second quarter of 2015, with delinquency and foreclosure rates continuing to reach their lowest levels since

¹²² See League of Minnesota Cities, *Foreclosures and Neighborhood Viability*, available at <http://www.lmc.org/page/1/foreclosure-issue.jsp>.

¹²³ Mortgage Bankers Association, *Mortgage Delinquencies and Foreclosures Fall in First Quarter*, *supra* n.10, <https://www.mba.org/2015-press-releases/august/mortgage-delinquencies-and-foreclosures-continue-to-drop-in-second-quarter>.

2007.¹²⁴ As Marina Walsh, the MBA's Vice President of Industry Analysis, has noted, "nearly every state in the nation reported declining foreclosure inventory rates over the second quarter, reflecting a nationwide housing market recovery and strong job market that provide opportunities for distressed loans to be resolved rather than be put into foreclosure."¹²⁵ However, although the national foreclosure rates have declined, foreclosures and vacant properties continue to be a problem for cities and neighborhoods. In many areas, they continue to bring a wide variety of additional costs, including an increased demand for public safety, costs to secure vacant buildings and address neglected maintenance, lower property values, and decreasing city tax bases.¹²⁶

These problems caused by vacant property have been addressed by city officials for years. In a 2008 survey of forty-two cities, seventy-one percent of the responding mayors said that the number of vacant and abandoned properties in their cities had increased as a result of the mortgage foreclosure crisis, while the same number said they expected the situation to get even worse in the coming year.¹²⁷ More than half of the respondents viewed the crisis as a serious, or even a very serious, problem for their cities.¹²⁸ In another 2008 survey of 211 city officials conducted by the National League of Cities, two-thirds of the respondents reported an increase in foreclosures in their

¹²⁴ Mortgage Bankers Association, *Mortgage Delinquencies and Foreclosures Continue to Drop in Second Quarter*, *supra* n.11, <https://www.mba.org/2015-press-releases/august/mortgage-delinquencies-and-foreclosures-continue-to-drop-in-second-quarter>.

¹²⁵ *Id.*

¹²⁶ League of Minnesota Cities, *supra* n.122, available at <http://www.lmc.org/page/1/foreclosure-issue.jsp>.

¹²⁷ U.S. Conference of Mayors, *supra* n.28, <http://usmayors.org/pressreleases/uploads/vacantenglish.pdf>.

¹²⁸ *Id.*

cities, and a third reported an increase in abandoned and vacant properties and urban blight, as well as a decrease in revenues.¹²⁹ Figure 3 below shows the key data in graphic form.¹³⁰ As Cynthia McCollum, President of the National League of Cities and a councilperson in Madison, Alabama, at the time, noted, “There’s a reduction in revenues at the same time that more services are needed.”¹³¹ She continued, “Because of foreclosures, people are stealing, crime is on the rise and we don’t have more money for cops on the street.”¹³²

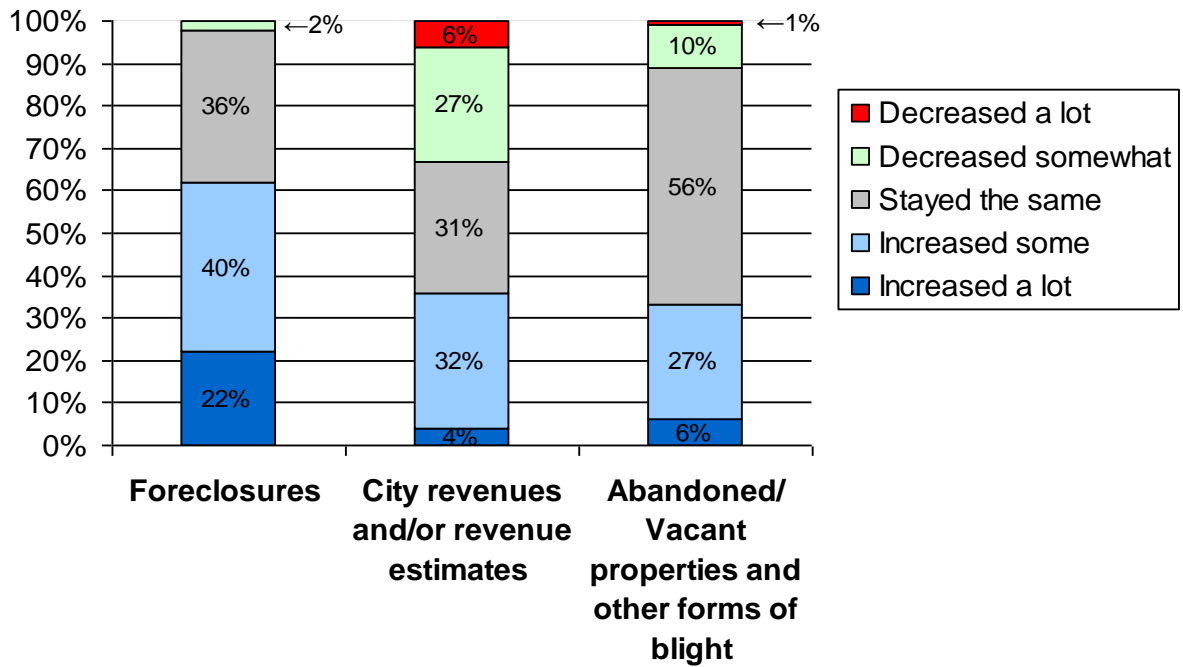
¹²⁹ See Cynthia McFarland and William McGahan, *Housing Finance and Foreclosures Crisis: Local Impacts and Responses*, National League of Cities (Apr. 2008), available at <http://www.nlc.org/documents/Find%20City%20Solutions/Research%20Innovation/Housing%20-%20CD/housing-finance-foreclosure-crisis-rbr-apr08.pdf>.

¹³⁰ The information presented in the graph is available in greater detail from the National League of Cities at <http://www.nlc.org/documents/Find%20City%20Solutions/Research%20Innovation/Housing%20-%20CD/housing-finance-foreclosure-crisis-rbr-apr08.pdf>.

¹³¹ El Nasser, *supra* n.30, available at http://www.usatoday.com/news/nation/2008-03-11-foreclosures_N.htm.

¹³² *Id.*

**Figure 3. National League of Cities 2008 Survey Data:
How have the following conditions changed in your community in
the past year?**



The mayors' survey revealed that Baltimore alone had an estimated 16,400 vacant properties in 2008, with Buffalo close behind at 10,000, followed by Las Vegas with 8,000.¹³³ These problems tended to affect communities unevenly, with some neighborhoods or developments particularly heavily hit: for example, in Peachtree Hills, a small Charlotte, North Carolina, subdivision, 115 of the 123 homes were in foreclosure in 2008.¹³⁴ "The American dream for individuals has now become a nightmare for

¹³³ U.S. Conference of Mayors, *supra* n.28, <http://usmayors.org/pressreleases/uploads/vacantenglish.pdf>.

¹³⁴ El Nasser, *supra* n.30, available at http://www.usatoday.com/news/nation/2008-03-11-foreclosures_N.htm.

cities,” said James Mitchell, councilperson in Charlotte, North Carolina, and head of the National Black Caucus of Local Elected Officials.¹³⁵

Forty-five percent of the cities in the 2008 mayors’ survey responded that they had to change local ordinances and/or policies to respond to problems resulting from the mortgage foreclosure crisis and its impact on vacant and abandoned properties.¹³⁶ Indeed, Robert Klein, the founder and chairman of the board for Safeguard Properties, a property management company that tracks these changes, observed in 2008 that “[e]very day we discover a new ordinance coming out somewhere.”¹³⁷ Although fewer than 100 such ordinances existed at the end of 2007, the number ballooned to more than 550 as of May 2012.¹³⁸ As of March 2014, more than 1,000 localities had enacted an ordinance regulating vacant property,¹³⁹ and the most recent numbers indicate that more than 1,900 ordinances and proposed ordinances now address registration of vacant properties or properties in foreclosure.¹⁴⁰ Thus, given the vast number and variety of ordinances, the following discussion does not attempt to capture every new

¹³⁵ *Id.*

¹³⁶ U.S. Conference of Mayors, *supra* n.28, <http://usmayors.org/pressreleases/uploads/vacantenglish.pdf>.

¹³⁷ See Emmet Pierce, *Blight-Prevention Law Emerges as a National Model—Chula Vista Forces Lenders to Maintain Foreclosures*, Union-Tribune/Sign On San Diego, Oct. 12, 2008, available at <http://www.signonsandiego.com/news/metro/20081012-9999-1n12blight.html>. For more about Safeguard Properties, see <http://www.safeguardproperties.com/>. Safeguard offers a comprehensive summary table of local vacant property registration ordinances, with links to the text of the ordinances themselves, at http://safeguardproperties.com/Resources/Vacant_Property_Registration/Default.aspx?filter=vpr.

¹³⁸ Yun Sang Lee, Patrick Terranova, & Dan Immergluck, *New Data on Local Vacant Property Registration Ordinances* (Fall 2014), available at <http://www.huduser.gov/portal/periodicals/cityscpe/vol15num2/ch22.pdf>.

¹³⁹ Weber, *supra* n.14, at 50, available at <http://lawschool.unm.edu/nmlr/volumes/45/1/1-weber.pdf>.

¹⁴⁰ See Safeguard Properties, *Property Registration*, *supra* n.3, http://safeguardproperties.com/Resources/Vacant_Property_Registration.aspx.

amendment and enactment. Rather, it examines the types of local requirements that have been instituted, along with examples of representative ordinances and policies put in place in particular cities.¹⁴¹

¹⁴¹ The issue of who is responsible for maintaining property during the foreclosure process is not new. Judicial decisions even a decade or more ago considered who had to bear the cost of vandalism to vacant property. See, e.g., *Trustco Bank, N.A. v. Eakin*, 681 N.Y.S.2d 410 (App. Div. 1998); see also Edward L. Schiff, *Who Is Responsible for Maintenance of a Property During Foreclosure Proceedings?*, *Real Estate Weekly* (Aug. 18, 1999), available at <http://www.thefreelibrary.com/Who+is+responsible+for+maintenance+of+a+property+during+foreclosure..-a055804577>. In *Eakin*, the court held the mortgagors responsible and absolved the mortgagee of liability under New York law.



D. Types of Local Requirements

Many local initiatives may be generally categorized as establishing registration, maintenance, or inspection requirements, although these categories overlap, and there are many individualized local variations. Most local ordinances include elements of two or all three of these requirements to further local goals.

1. Registration, Licensing, and Notification Requirements

Vacant or foreclosure property registration and licensing ordinances require owners of vacant properties to register with or to be licensed by a designated local government agency. They generally require that the licensee or registrant provide a local point of contact in case the subject property becomes a public nuisance or a dangerous condition arises. Such ordinances may also encourage property owners to devise a timely rehabilitation plan by imposing fees to cover the estimated public costs of monitoring, inspecting, and re-inspecting the property. Registration and licensing ordinances play an important role in a comprehensive vacant property strategy, and they work best when accurate information is provided and pertinent codes are effectively enforced. Hundreds of cities, counties, and towns that struggled with growing inventories of vacant homes have enacted these ordinances as a means of managing the inventory, in the hopes of mitigating damages to the community and recovering associated public costs.¹⁴²

Registration and notification programs are also designed to help cities determine who should be contacted if neighbors complain about vacant properties. “The idea is to get some responsibility so these buildings don’t sit there and have a negative impact on

¹⁴² See generally Center for Community Progress, *Tool 1: Vacant Property Registration Ordinances (VPROs)*, <http://www.communityprogress.net/tool-1----vacant-property-registration-ordinances--pages-257.php>.

the community while people argue about who is responsible,” observed William Good, Commissioner of Inspectional Services for the City of Boston in 2008.¹⁴³

Other registration-based ordinances include that of Chula Vista, California, which was enacted in 2007 and is believed to be the first to hold lenders responsible for vacant properties in foreclosure.¹⁴⁴ The ordinance requires a local representative of the lender to inspect vacant property on a monthly basis, and to post the name of a 24-hour contact for the responsible party on the property.¹⁴⁵ Wilmington, Delaware’s vacant property registration ordinance uses a sliding fee scale. The longer the property remains vacant, the higher the fee, up to a maximum of \$5,000 per year for property that has been vacant for ten years or more.¹⁴⁶ Cincinnati’s registration ordinance requires evidence of general liability insurance on the property, with minimum coverage of \$300,000 for residential properties and \$1,000,000 for commercial or industrial properties.¹⁴⁷

As these ordinances demonstrate, though deemed “registration requirements,” they actually require more from the registrants than merely filing paperwork. Registration, rather than a goal in itself, is typically a means toward the larger end of establishing responsibility for property maintenance, obtaining revenue, and encouraging occupancy of vacant property.

¹⁴³ Simon, *supra* n.94, available at <http://www.wsj.com/articles/SB121729136482591693>.

¹⁴⁴ Center for Community Progress, *Tool 4: Working with Lenders*, <http://www.communityprogress.net/tool-4---working-with-lenders-pages-270.php>.

¹⁴⁵ [Chula Vista, Cal., Ordinance 15.60.060 \(2015\)](#).

¹⁴⁶ City of Wilmington, Del., *Vacant Property Registration Fee Program*, available at <http://www.wilmingtonde.gov/docs/1447/Vacant-Property-Registration-Fee-Program-Brochure.pdf>.

¹⁴⁷ [Cincinnati, Ohio, Ordinance 1101-77 \(2015\)](#).

However, there has been some backlash to registration and the fees and responsibilities that accompany it. For example, in 2012, Chicago's city officials, in response to mortgage lenders and servicers, determined that the city's pre-foreclosure requirements for vacant buildings were too strict. The ordinance in question required the a vacant building's owner to register it with the city within 30 days, meet specified maintenance standards, and pay a \$500 fee. The ordinance included vacant properties that had not yet completed the foreclosure process. After a few months, the city changed some of those requirements for mortgage servicers, easing the standards applied for maintenance and upkeep inside properties not yet foreclosed.¹⁴⁸

2. *Property Maintenance Requirements*

Property maintenance requirements often go hand-in-hand with code enforcement efforts. Many cities have adopted property maintenance codes establishing minimum standards for maintaining occupied housing. The same codes can be applied to preserve vacant housing, or, where market conditions permit, to prevent dilapidated houses from becoming vacant and abandoned in the first place.¹⁴⁹ Several national organizations have developed model property codes for local governments, with the International Code Council's (ICC) property maintenance code, which is used locally in

¹⁴⁸ Andrew Scoggin, *Chicago Loosens Vacant Property Restrictions on Banks* (Apr. 19, 2012), available at <http://www.housingwire.com/articles/chicago-loosens-vacant-property-restrictions-banks>.

¹⁴⁹ Whether code enforcement can prevent vacancies is not entirely up to the municipality; it reflects the relationship between the cost of maintaining the property and the market return from (or of) the property. If an owner concludes that it will cost more to restore a vacant property than it will be worth—as is true in large parts of many older cities—the owner may be more likely to walk away.

or adopted by 38 states and the District of Columbia, being perhaps the most widely used.¹⁵⁰

Code enforcement can be used to improve property maintenance during foreclosure through a comprehensive enforcement approach, using a combination of compliance strategies and strategic use of rehabilitation resources, together with housing assistance programs.¹⁵¹ Baltimore, for instance, has taken a systematic approach in attacking the problems associated with that city's vacant properties through its Targeted Enforcement Toward Visible Outcomes (TEVO) program, which encompasses a block-by-block assessment of all vacant properties and allows the Housing Department to focus its code enforcement efforts and resources on derelict properties that have market potential in transitional neighborhoods.¹⁵² Similarly, Tucson's SABER (Slum Abatement and Blight Enforcement Response) program brings together nine city department that share responsibilities related to targeting code enforcement and prosecution efforts at particular neighborhoods most plagued by vacant property ills.¹⁵³

3. *Inspection Requirements*

¹⁵⁰ See International Code Council, *International Codes-Adoption by State* (Oct. 2015), <http://www.iccsafe.org/wp-content/uploads/stateadoptions.pdf>. The ICC code is available for purchase at <http://www.iccsafe.org/>.

¹⁵¹ See Kermit J. Lind, *Code Compliance Enforcement in the Mortgage Crisis*, available at http://www.communityprogress.net/filebin/pdf/new_resrcs/Kermit_Lind_Code_Enforcement_Paper.pdf.

¹⁵² See *Baltimore Mayor O'Malley's Project 5000*, U.S. Mayor Newspaper, May 1, 2006, available at http://usmayors.org/usmayornewspaper/documents/05_01_06/baltimore2.asp.

¹⁵³ James H. Carr & Michelle Mulcahy, *Rebuilding Communities in Economic Distress: Local Strategies to Sustain Homeownership, Reclaim Vacant Properties, and Promote Community-Based Employment* (Oct. 2010), available at <https://www.fdic.gov/about/comein/Mar11.pdf>.

As noted above, registration ordinances may also impose fees to cover the cost of monitoring, inspecting, and re-inspecting the property. Only through inspection can a city, lender, or property owner determine if a property has been vacated and whether it is being maintained. As amended in 2010, Chula Vista's ordinance requires lenders to have a local company inspect vacant property in foreclosure on a monthly basis. Under other local programs, when a city receives a complaint about a particular derelict or vacant property, the responsible enforcement agency inspects the property and issues a notice to the owner and other potentially liable parties, listing the specific code violations and nuisance conditions. While complaints are an important way of identifying problems, they are not a substitute for more systematic approaches.

Other inspection ordinances target rental properties. Many cities throughout the United States have enacted ordinances that require an inspection when a rental unit is sold or changes occupancy. For example, in St. Louis, a structure that contains a dwelling unit and is located in a Housing Conservation District (which is 98 percent of the property in the city) must be inspected before a vacant residential unit is occupied. Property that is the subject of a sale of an occupied structure that has not been issued a Certificate of Inspection within the previous 12 months must also be inspected.¹⁵⁴ The rationale for these ordinances is that regular inspections motivate owners and property managers to maintain their properties in better condition. Several Ohio communities,

¹⁵⁴ City of St. Louis, Mo., *Housing Conservation Inspection*, <https://www.stlouis-mo.gov/government/departments/public-safety/building/housing-conservation.cfm>.

including Kettering and Trotwood, have enacted these ordinances and credit them with helping reduce substandard conditions in their rental housing stock.¹⁵⁵

¹⁵⁵ Miami Valley Regional Planning Commission, *Reinventing Dayton and the Miami Valley Assessment Report: Section Five, Developing Comprehensive Code Enforcement Strategies to Prevent and Stabilize Substandard and Vacant Properties with the Region's Core Communities*, available at http://docs.mvrpc.org/vacant/reinv_theme_5.pdf.



E. Enforcement Mechanisms

Municipal requirements are only as good as the tools used to ensure compliance. This section discusses the principal mechanisms used in the cities studied to enforce their foreclosure property maintenance rules.

1. Fees

During the past decade, a number of local governments have imposed fees on lenders deemed to be responsible for vacant properties.¹⁵⁶ Some cities doubled or tripled existing fees, while others enacted entirely new ordinances and imposed new fees. Registration fees for vacant or foreclosed properties can range from \$35 to \$500, or even higher.¹⁵⁷ These fees help offset the cost of maintaining properties in foreclosure, as well as the extra costs required to secure and police such properties; local officials argue that local taxpayers should not have to shoulder the financial burden for mowing lawns, draining pools, and boarding up windows, or for extra policing.¹⁵⁸

2. Fines

Just as particular types of foreclosure property maintenance requirements rarely stand alone, many enforcement mechanisms are hybrids of multiple compliance tools. Many communities impose civil and/or criminal fines for failure to adhere to local registration or maintenance requirements as well as fees. Chula Vista, California, for instance, levied fines totaling more than \$1.3 million and collected about \$183,000 in registration fees between the time its ordinance was enacted in 2007 and July of

¹⁵⁶ Simon, *supra* n.94, available at <http://www.wsj.com/articles/SB121729136482591693>.

¹⁵⁷ *Id.*

¹⁵⁸ In just one month, for instance, Louisville, Kentucky incurred \$106,000 in expenses for maintaining properties in the city owned by major lenders, reports Mayor Jerry Abramson. *Id.*

2009.¹⁵⁹ In 2009, Buffalo, New York, had levied the maximum permissible fines for failure to properly maintain vacant properties in that city, in addition to placing liens on the properties.¹⁶⁰ Indio, California, collected almost \$70,500 in registration fees between the time its program was fully implemented and mid-2009. During the last quarter of 2008 and the first quarter of 2009, that city issued more than 500 citations, resulting in \$80,000 in fines.¹⁶¹ While registration fees may be considered a cost of doing business, fines can be avoided where the property owner complies with legal obligations.

3. Liens

Many cities place liens on vacant properties. When fees or fines go unpaid, or when a city is forced to incur expenses to maintain properties or abate nuisance conditions normally borne by the owner,

LIENS

Nearly all states authorize cities and counties to place liens on properties where they have expended municipal funds to correct code violations or abate nuisance conditions. The effects of these liens vary widely from state to state, particularly when foreclosure is involved. Municipal tax liens (for failure to pay property tax) are priority liens placed above mortgages and judgments throughout the U.S. The status of liens for nuisance abatement, however, is determined by state legislation, and some states do not assign priority to such liens. As a result, the liens fall behind previously executed mortgages, and can easily become worthless if the property's value is less than what is owed. Even when liens have priority, an issue may arise as to who can actually collect on them. Many municipalities are therefore reluctant to spend money on nuisance abatement—even though they may get a lien on the property—because of the delays and difficulties in recouping the money.

Moreover, nuisance abatement liens generally do not need to be paid at a foreclosure sale, which is, after all, a debt collection procedure rather than a conventional transfer of title. Accordingly, the liens carry over and become the responsibility of the first buyer of the property after the sale. Depending on the lien's size and circumstances, the existence of a lien may negatively impact the sale. Thus, in the final analysis, the ability to place liens is a more questionable tool for local governments than it appears at first blush.

¹⁵⁹ Emmet Pierce, *City Under Gun to East Blight Fight—Lenders Squeezed by Chula Vista's Fines, Penalties*, Union-Tribune/Sign On San Diego, July 7, 2009, available at <http://www3.signonsandiego.com/stories/2009/jul/07/city-under-gun-ease-blight-fight/>.

¹⁶⁰ See United States Conference of Mayors, *Vacant and Abandoned Properties—Survey and Best Practices* (2008) (hereinafter 2008 Mayors' Survey), available at <http://usmayors.org/vacantproperties/VacantandAbandonedProperties08.pdf>.

¹⁶¹ See Brad Ramos, *Foreclosed Property Registration and Mitigation Program, Indio, CA* (2009), available at <http://www.popcenter.org/library/awards/goldstein/2009/09-34.pdf>.

those debts may attach to or become a lien against the property. Such liens generally must be paid off when the property is ultimately sold. In some cases, the liens may be enforced through civil action or foreclosed upon directly by the city or county.

4. Civil Enforcement Actions

In some cases, it may become necessary to take a party to civil court to achieve an outcome in the community's best interests. In Saint Louis, Missouri, for example, the Problem Property Court, with its own dedicated judge, convenes several times each week to resolve cases involving vacant properties.¹⁶² The focus is not punitive, but rather on achieving restoration or sale. Even so, the Problem Property Unit of the Saint Louis police department aggressively pursues the recovery of the expenses incurred by the city in maintaining vacant properties, which expenses attach to the properties. Reports in 2008 indicated that liens had been placed on nearly 1,000 vacant properties, representing nearly \$3 million in unpaid city services for those properties.¹⁶³

5. Criminal Penalties

Some cities also impose criminal penalties to encourage compliance and deter violations. A Milwaukee ordinance, for example, provides for criminal penalties for failure to comply with its vacant foreclosure property requirements. Under the recently revised ordinance, properties with outstanding code violations are subject to an escalating penalty fee that starts at \$253.50. The registration fee for properties with

¹⁶² 2008 Mayors' Survey, *supra* n.162, at 21, available at <http://usmayors.org/vacantproperties/VacantandAbandonedProperties08.pdf>.

¹⁶³ *Id.*

continuing violations of the city's Pre-Foreclosure Ordinance (chapter 200-22.5 of the Milwaukee Code) increases in increments from \$253.50 to \$1014.¹⁶⁴

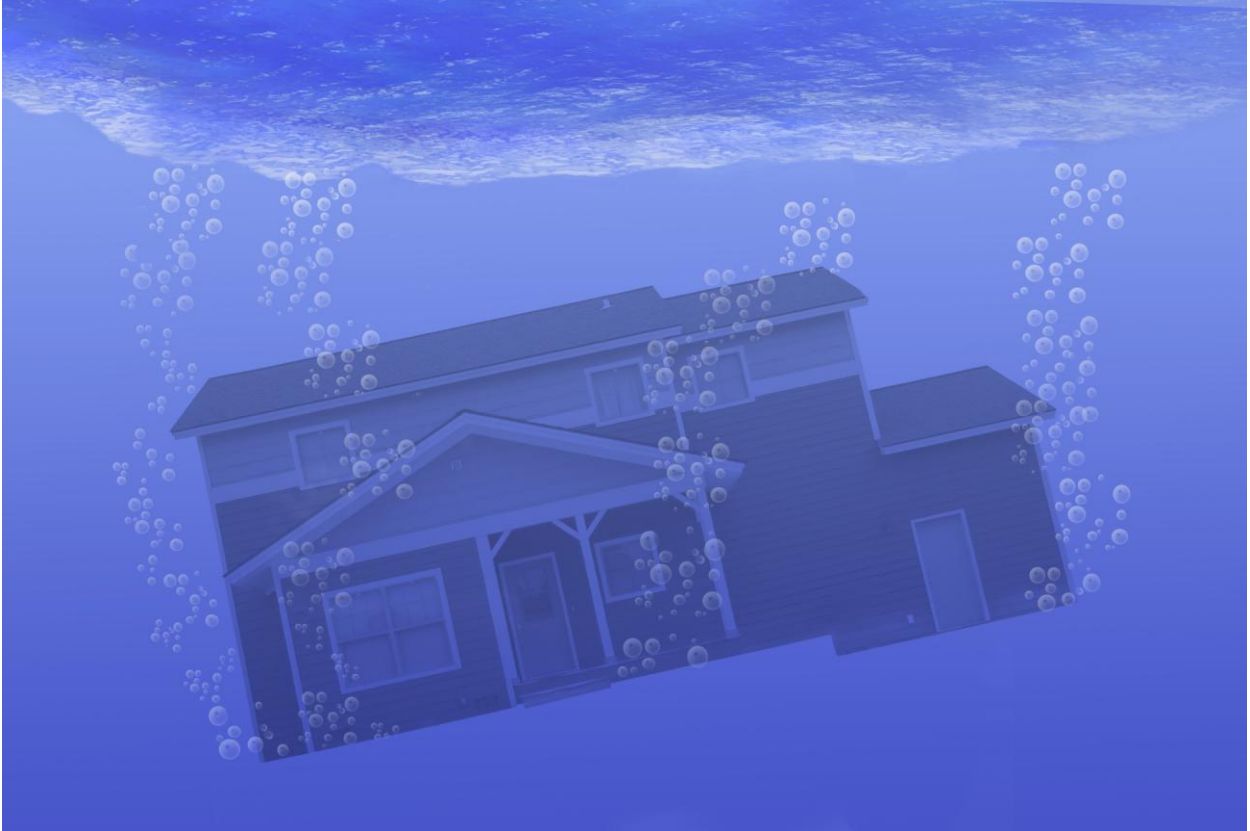
Wilmington, Delaware, and Indio, California, are other examples of cities with criminal penalties. Failure to register vacant properties in Wilmington may result in criminal proceedings and a fine of \$100 to \$500 for each refusal or failure to register, as well as a civil action to collect any unpaid fees.¹⁶⁵ Violations of the Indio vacant property ordinance constitute misdemeanors punishable by a fine of up to \$25,000 per violation.¹⁶⁶

All of these ordinances show that city governments have a variety of options with respect to the mechanisms they use to enforce their foreclosure property requirements. Fees, fines, liens, civil actions, and criminal penalties, or a combination thereof, are all choices for cities and counties looking to encourage compliance, deter violations, and punish wrongdoers.

¹⁶⁴ City of Milwaukee Dep't of Neighborhood Services, *Vacant Building Registration Ordinance* (June 25, 2014), available at http://city.milwaukee.gov/ImageLibrary/User/tweile/pdf/broc/DNS-29A_V6_VacantBldgBrowb.pdf.

¹⁶⁵ Wilmington, Del., *Vacant Property Registration Fee Program*, *supra* n.146, available at <http://www.wilmingtonde.gov/docs/1447/Vacant-Property-Registration-Fee-Program-Brochure.pdf>.

¹⁶⁶ [Indio, Cal., Ordinance 95D.109 \(Feb. 2008\)](#).



F. Local Examples

Local responses to the mortgage foreclosure and vacant property crises during the past decade are as diverse as the communities themselves. This section reviews various community initiatives, illustrating the range of options that cities are currently exercising. In 2015, over 1,900 ordinances and actively proposed ordinances address registration of vacant properties and properties in foreclosure.¹⁶⁷ Thus, this is far from a complete list of county and city measures, but rather a representative sample that presents key concepts being pursued by local governments around the country. In addition to foreclosure-specific initiatives, we have also identified some vacant property ordinances that we consider particularly relevant in light of their potential use to address foreclosure property maintenance concerns.

1. *Boston, Massachusetts*

In 2008, the Boston City Council observed that, as a result of the drastic rise in the number of foreclosures, houses were being left empty for months—or even years—awaiting foreclosure sale. “These homes are frequently retaken by banks, financial institutions and large real estate conglomerates,” the council observed, which “have little to no connection with the municipality in which they own property.”¹⁶⁸ Specifically citing the Chula Vista model, the city of Boston amended the Boston Code to require the registration and maintenance of abandoned properties during the foreclosure process, specifically expanding the definition of liable “owners” to include lenders.¹⁶⁹

¹⁶⁷ See *Safeguard Properties, Property Registration*, *supra* n.3, http://safeguardproperties.com/Resources/Vacant_Property_Registration.aspx.

¹⁶⁸ See *An Ordinance Regulating the Maintenance of Vacant, Foreclosing Residential Properties* (Feb. 27, 2008), available at <http://www.cityofboston.gov/isd/foreclosure/pdfs/foreclosureord.pdf>.

¹⁶⁹ *Id.*

Boston’s ordinance, which has been revised since its adoption, mandates registration with the city as soon as a foreclosure notice is issued. As amended in 2010, the ordinance requires the Inspectional Services Department to maintain a list of registered properties that is available to the public upon request.¹⁷⁰ It also requires owners of vacant properties to hire a local property manager to be responsible for the property’s security and maintenance.¹⁷¹ The ordinance defines “owner” broadly to include, among others,

every person, entity, service company, property manager or realtor, who . . .

(1) has legal or equitable title to any dwelling . . . or parcel of land, vacant or otherwise . . . ;

(2) has care, charge or control of any dwelling . . . or parcel of land, vacant or otherwise . . . ;

(3) is a mortgagee in possession of any such property; or

. . . .

(6) is a trustee who holds, owns, or controls mortgage loans for mortgage backed securities transactions and has initiated the foreclosure process.¹⁷²

In 2010, the city added very specific and detailed maintenance requirements that apply when a building is vacant, unguarded, and open to unauthorized entry. The focus of these new requirements is on closing, securing, and protecting all building openings.¹⁷³

¹⁷⁰ [Boston, Mass., Municipal Code § 16.52.3\(d\) \(2014\)](#).

¹⁷¹ [Boston, Mass., Municipal Code § 16-52.3\(a\) \(2014\)](#).

¹⁷² [Boston, Mass., Municipal Code § 16-52.2 \(2014\)](#).

¹⁷³ [Boston, Mass., Municipal Code § 16-52.4\(c\) \(2014\)](#).

The registration fee of \$100 must be paid annually, and failure to register results in a \$300 fine, as does the failure to identify a local contact or to maintain the property. In the latter case, the fine may be levied each week the property is not maintained.¹⁷⁴

According to Evelyn Friedman, the head of the Boston Department of Neighborhood Development in 2009, about 920 properties had been registered as of late 2009.¹⁷⁵ Friedman noted that lender compliance had improved in the ordinance's first 18 months, and she characterized the ordinance as working "reasonably well."¹⁷⁶

2. *Chula Vista, California*

The San Diego suburb of Chula Vista enacted one of the first and most aggressive local ordinances dealing with this issue. Chula Vista's ordinance, which requires lenders to maintain vacant properties during the foreclosure process, has become a national model. The ordinance, first enacted in the fall of 2007 and amended in 2010, allows the city to issue citations for blighted dwellings after lenders file notices of default, marking the start of the foreclosure process. At that time, lenders and servicers must inspect foreclosed properties and confirm whether they are occupied and whether they comply with applicable laws. The ordinance explicitly provides that interior inspections are not required. If the lender determines that the property is vacant and is therefore deemed abandoned, the lender must register the property with the city, and

¹⁷⁴ [Boston, Mass., Municipal Code § 16-52.6 \(2014\)](#).

¹⁷⁵ Telephone Interview with Evelyn Friedman, Boston Dep't of Neighborhood Development (Sept. 29, 2009).

¹⁷⁶ *Id.*

then secure and maintain it. Lenders are responsible for the upkeep of the properties even though title has not yet formally transferred to them.¹⁷⁷

Although originally lauded by many, the Chula Vista ordinance was not without its critics. Some lenders expressed distress at the fact that fines could reach beyond \$10,000, but city officials believed that such significant penalties were necessary to force a change in lender behavior.¹⁷⁸ The city officials reasoned that without imposing liability in this fashion, lenders might not take responsibility for the condition of foreclosed properties for many months after the foreclosure process is initiated. If that happened, cities would be left holding the bag, forced to address blight issues on their own, with little ability to seek reimbursement from lenders later. Chula Vista turns the tables on lenders, placing the burden on them from the start.¹⁷⁹ “Lenders will respond when it costs them less to maintain the property than to ignore local agency requirements,” says Jolie Houston, a San Jose land-use attorney who studied the matter for the California League of Cities.¹⁸⁰

¹⁷⁷ See [Chula Vista, Cal., Ordinance ch. 15.60 \(2015\)](#). For more information regarding the Chula Vista program, see City of Chula Vista, *Abandoned Residential Property Program*, <http://www.chulavistaca.gov/departments/development-services/code-enforcement/abandoned-residential-property-program>. The registration form is available at <http://www.chulavistaca.gov/home/showdocument?id=108>.

¹⁷⁸ Pierce, *City Under Gun to East Blight Fight—Lenders Squeezed by Chula Vista’s Fines, Penalties*, *supra* n.161, available at <http://www3.signonsandiego.com/stories/2009/jul/07/city-under-gun-ease-blight-fight/>.

¹⁷⁹ *Id.*

¹⁸⁰ See Pierce, *Blight-Prevention Law Emerges as a National Model—Chula Vista Forces Lenders to Maintain Foreclosures*, *supra* n.139, available at http://legacy.signonsandiego.com/uniontrib/20081012/news_1n12blight.html.

By 2010, Chula Vista's program was generally viewed as a success, and the city had won national recognition for its efforts.¹⁸¹ The city measured its program's success by evaluating whether it had minimized the negative impact caused by vacant abandoned homes that weren't maintained, created more open communication with lenders, and recovered program costs. Despite the difficulties the city noted, it concluded in 2010 that the program "succeeded in accomplishing in a year what the city was unable to do in 10 years using traditional code enforcement methods." During the first two years, the city received more than 2,200 Residential Abandoned Property registrations. The city also noted that in the program's first year, staffing costs of approximately \$175,000 were more than offset by \$112,000 of registration fees and nearly \$1.4 million in fines issued to noncompliant properties. Thus, the net cost to the taxpayers was zero, while the nonmonetary benefit was "immeasurable."¹⁸²

By mid-2009 more than 200 other communities had adopted anti-blight measures based on Chula Vista's ordinance, and 100 or so more, from Boston to Dallas, had made inquiries of Doug Leeper, Chula Vista's code enforcement manager.¹⁸³ "This is where a lot of cities are starting, with a Chula Vista-type ordinance," observes Attorney

¹⁸¹ See Western City, *Chula Vista Turns Foreclosures Around* (May 2010), available at <http://www.westerncity.com/Western-City/May-2010/Chula-Vista-Turns-Foreclosures-Around/> (noting that the city had been awarded the Award for Excellence in the Internal Administration category of the 2009 Helen Putnam Award for Excellence program). The city was also a 2009 finalist in the Innovations in American Government Awards. See Harvard Kennedy School Ash Center for Democratic Governance and Innovation, *Abandoned Residential Property Registration Program*, <https://www.innovations.harvard.edu/abandoned-residential-property-registration-program>.

¹⁸² *Id.*

¹⁸³ Pierce, *City Under Gun to East Blight Fight—Lenders Squeezed by Chula Vista's Fines, Penalties*, *supra* n.161, available at <http://www3.signonsandiego.com/stories/2009/jul/07/city-under-gun-ease-blight-fight/>. See also Pierce, *Blight-Prevention Law Emerges as a National Model—Chula Vista Forces Lenders to Maintain Foreclosures*, *supra* n.139, available at http://legacy.signonsandiego.com/uniontrib/20081012/news_1n12blight.html.

Houston.¹⁸⁴ However, Chula Vista’s high fines have been challenged on numerous occasions.¹⁸⁵ The city amended most of its ordinances related to abandoned residential property registration in 2010. A comparison of two versions of chapter 15.60 of the city’s code reveals that the newer ordinances primarily clarified and added more precision to the law. The more significant changes included the following:

- a clarification of the definition of “evidence of vacancy” and the addition of definitions for numerous other terms, including “evidence of occupancy” and “inspection”;
- additional provisions related to “field service providers,” which are additional parties that may be responsible for inspecting, securing, and maintaining the property; and
- revised registration procedures and maintenance and security requirements.¹⁸⁶

3. *Chula Vista-type Ordinances in California*

Many other California communities have followed the Chula Vista model. By late 2007, *Indio*, California, a small inland city roughly 120 miles east of Los Angeles, found

¹⁸⁴ Pierce, *Blight-Prevention Law Emerges as a National Model—Chula Vista Forces Lenders to Maintain Foreclosures*, *supra* n.139, available at <http://www.signonsandiego.com/news/metro/20081012-9999-1n12blight.html>.

¹⁸⁵ Claremont City Council Agenda Report, Memorandum from Anthony Witt, Community Development Director, to Jeffrey C. Parker, City Manager (May 25, 2010), available at http://claremontca.granicus.com/Viewer.php?view_id=&clip_id=311&meta_id=4665.

¹⁸⁶ A copy of Chula Vista’s 2007 ordinance is available at <http://www.cacities.org/UploadedFiles/LeagueInternet/5c/5cbdbacd-10fb-4407-9644-30a521011297.pdf>; a copy of chapter 1560 as revised in 2010 is available at <http://www.codepublishing.com/ca/chulavista/html/ChulaVista15/ChulaVista1560.html>.

itself on the leading edge of the foreclosure crisis.¹⁸⁷ As the number of foreclosures increased, so too did the number of vacant properties. Both the vacant properties' neighbors and the police took notice. In response, the city council passed a foreclosure registration and maintenance ordinance in 2008 that requires lenders to inspect property before filing a notice of default to determine if the property is vacant. The lender must register all vacant properties with the police department and becomes responsible for securing and monitoring the property thereafter. Lenders also pay a registration fee to offset enforcement costs. Violations of the ordinance constitute misdemeanors punishable by a fine of up to \$25,000 per violation and/or arrest. The city has not amended any of these provisions since they were adopted in 2008.

Between the time Indio's program was fully implemented and mid-2009, the city had registered 470 properties, collected \$70,500 in registration fees, issued more than 1000 notices on foreclosed properties, and issued more than 500 administrative citations totaling more than \$80,000 in fines to lenders, real estate licensees, and property managers.¹⁸⁸ In just that short time, city officials noted a "substantial impact on the lives of the citizens within the community."¹⁸⁹

One other favorable result of the Indio program is that registered homes that are maintained in accordance with the ordinances' requirements sell for a higher price, "so

¹⁸⁷ See Deborah Spence, *Indio Police Department Tackles the Foreclosure Crisis* (Mar. 2009), available at http://www.cops.usdoj.gov/html/dispatch/March_2009/indio.htm.

¹⁸⁸ Ramos, *supra* n.161, available at <http://www.popcenter.org/library/awards/goldstein/2009/09-34.pdf>.

¹⁸⁹ *Id.*

there is a strong financial incentive for REALTORS® to work with these otherwise undesirable properties.”¹⁹⁰

Pittsburg, California, a small industrial city between San Francisco and Sacramento, also has in place an ordinance requiring foreclosing lenders to maintain vacant foreclosure property in good condition.¹⁹¹ The ordinance, which was adopted in 2008 and has not been amended, requires the city to provide notice of violations—which include such things as failure to prevent trespassers and squatters from entering the property, failure to trim bushes, and failure to prevent mosquito larvae from growing in standing water—together with notice of the city’s intention to impose a fine if corrective action is not taken within fourteen days. The city must give the owner/lender at least 30 days to remedy the condition, after which it may be civilly fined up to \$1,000 per day for each violation.¹⁹²

Stockton, in California’s Central Valley, has also adopted an ordinance modeled after Chula Vista’s. Chula Vista’s ordinance brought to light the concept that the lender or the bank must be held responsible for vacant properties, noted Peter Lemos, Code Enforcement Field Manager for Stockton at the time.¹⁹³ “Before [the ordinance], until you had a new homeowner, no one was responsible.”¹⁹⁴ The ordinance defines “owner”

¹⁹⁰ See Spence, *supra* n.187, available at http://www.cops.usdoj.gov/html/dispatch/March_2009/indio.htm.

¹⁹¹ See [Pittsburg, Cal., Ordinances ch. 1.26 \(2015\)](#).

¹⁹² *Id.*

¹⁹³ Pierce, *City Under Gun to Ease Blight Fight—Lenders Squeezed by Chula Vista’s Fines, Penalties*, *supra* n.161, available at <http://www3.signonsandiego.com/stories/2009/jul/07/city-under-gun-ease-blight-fight/>. See also [Stockton, Cal, Municipal Code ch. 15.32](#).

¹⁹⁴ *Id.*

to include anyone who has “any interest in any real property,” which would include a person with a mortgage or deed of trust on the property.¹⁹⁵

Among other California communities that have followed Chula Vista’s lead are *Riverside County, Marietta*,¹⁹⁶ and *Santee*.¹⁹⁷ Other California cities have similar, but not identical, requirements. For example, San Diego’s senior code enforcement engineer, Tony Khalil, has characterized his city’s program as “less aggressive” than Chula Vista’s.¹⁹⁸

4. *Cape Coral, Florida*

On March 1, 2009, the city of Cape Coral, Florida, enacted a Chula Vista-type ordinance to regulate the maintenance of vacant foreclosed properties located within its city limits.¹⁹⁹ The ordinance requires lenders to register and maintain property on which the foreclosure process has been initiated and assesses an annual registration fee of \$50 to \$150. The registration must include contact information and, if the mortgagee is a corporation or located out of the area, the property management company responsible for security and maintenance. The penalty for violations has increased: the maximum

¹⁹⁵ [Stockton, Cal., Municipal Code § 15.32.020 \(2015\)](#).

¹⁹⁶ Pierce, *Blight-Prevention Law Emerges as a National Model—Chula Vista Forces Lenders to Maintain Foreclosures*, *supra* n.139, available at http://legacy.signonsandiego.com/uniontrib/20081012/news_1n12blight.html. The Riverside ordinance is available at <http://www.clerkoftheboard.co.riverside.ca.us/ords/800/880.pdf>.

¹⁹⁷ See 2008 Mayors’ Survey, *supra* n.162, available at <http://usmayors.org/vacantproperties/VacantandAbandonedProperties08.pdf>. The Santee code is available at <http://qcode.us/codes/santee/>.

¹⁹⁸ *Id.*

¹⁹⁹ See [Cape Coral, Fla., Code of Ordinances §§12-91 through 12-100 \(2015\)](#).

penalty for a first offense is now \$1000 per day (up from \$100 per day) for the first offense, with double or triple fines for subsequent offenses.²⁰⁰

5. Cincinnati, Ohio

Cincinnati has significantly amended its vacant property ordinance several times during the past decade. For example, in 2006, the city revised ordinances that applied to vacant buildings to increase both the license fees and the fines imposed for failure to comply.²⁰¹ The vacant building ordinance,²⁰² which applied to buildings with orders to vacate due to their uninhabitability, required the properties' owners to pay a fee of from \$900 to \$3,500 to obtain a license from the city, and to meet certain minimum maintenance requirements or to face a fine.²⁰³

The city added vacant foreclosed residential property ordinances in 2012, and amended them in 2014 and 2015.²⁰⁴ Effective April 12, 2014, a lender who files a foreclosure on a residential property anywhere within the city's corporate limits after a foreclosure is filed must register the property within 10 days of the date it becomes

²⁰⁰ City of Cape Coral, *Abandoned and Vacant Property*, http://www.capecoral.net/departments/community_development/abandoned_and_vacant_property.php#.VmIF0uODFBc.

²⁰¹ In 2006, fees were raised from a flat \$300 annually, to a range of from \$900 for buildings vacant less than a year, to \$3,500 for buildings vacant for over five years. See 2008 Mayors' Survey, *supra* n.162, at 27, available at <http://usmayors.org/vacantproperties/VacantandAbandonedProperties08.pdf>.

²⁰² The current Cincinnati vacant building maintenance ordinances are available at https://www.municode.com/library/oh/cincinnati/codes/code_of_ordinances?nodeId=TITXICIBUCO_CH11_01AD_S1101-77OBOWPECOVABU.

²⁰³ *Id.*

²⁰⁴ The current Cincinnati vacant residential property ordinances are available at https://www.municode.com/library/oh/cincinnati/codes/code_of_ordinances?nodeId=TITXICIBUCO_CH11_23VAFOREPRRE.

vacant.²⁰⁵ The registration fee is \$500 per building.²⁰⁶ All applicable property maintenance provisions in the Cincinnati Municipal Code remain in effect, including the following:

- properties must be maintained free of “outwards appearances of foreclosure and vacancy”;
- no signs on the building’s exterior or in the windows may indicate that the property is vacant or foreclosed;
- grass may be no higher than 10 inches, and the property must be free of all noxious weeds and litter;
- the premises must remain secure and locked, and broken windows and doors that are visible from the right-of-way may be covered with plywood or similar boarding material on an emergency basis, but for no more than 10 business days before being repaired;
- windows and doors visible from the public right-of-way must be maintained in good repair and not boarded;
- handbills, circulars, and advertisements must be removed from porches and yards in a timely manner; and
- standing water must be eliminated.²⁰⁷

²⁰⁵ City of Cincinnati, *Vacant Foreclosed Property Registration*, <http://www.cincinnati-oh.gov/community-development/property-maintenance/vacant-foreclosed-properties/>.

²⁰⁶ *Id.*

²⁰⁷ *Id.*

Generally, at the time the court enters an order for the registered property to be sold, the city must inspect the property. The mortgagee must correct any violations within 30 days or the city may make the corrections and place a priority lien for the total cost on the tax duplicate. An exemption from the point-of-sale inspection, along with a reduced registration fee, may be available if an approved alarm system is installed in the property at the time it becomes vacant.²⁰⁸

The ordinances have provided a good revenue source for the city. When NAR first researched the city's ordinances in 2009, the city had already collected over \$627,000 in fees, and thirty buildings had been demolished after the city amended its vacant building maintenance license provisions.²⁰⁹ The money collected by the city went into a fund earmarked to deal with vacant building issues.²¹⁰ The city had also begun obtaining civil judgments against property owners that did not pay their fees.²¹¹ Not all went smoothly, however. Edward Cunningham, Cincinnati's division manager for property maintenance and code enforcement at that time, noted that many of the vacant properties were owned by lenders, and the city was having a difficult time "getting them to step up to the plate."²¹² The difficulties faced by the city in obtaining compliance, compared to the experience in California, may have had much less to do with legal

²⁰⁸ *Id.*

²⁰⁹ 2008 Mayors' Survey, *supra* n.162, at 27, available at <http://usmayors.org/vacantproperties/VacantandAbandonedProperties08.pdf>.

²¹⁰ Simon, *Vacant-Property Fees Add to Mortgage Firms' Woes*, *supra* n.94, available at <http://www.wsj.com/articles/SB121729136482591693>.

²¹¹ *Id.*

²¹² *Id.*

issues than with the likelihood that the Cincinnati properties had significantly lower values, thus reducing the lenders' economic motivation.

Cincinnati has also faced a federal lawsuit challenging the constitutionality of its vacant property rules.²¹³ In *Etzler v. City of Cincinnati*, an unreported federal district court decision, the court analyzed the plaintiffs' claims that Cincinnati's Vacant Building Maintenance License Ordinance was void for vagueness and violated the Eighth Amendment's prohibition against excessive fines.²¹⁴ The court found that the ordinance was not unconstitutionally vague.²¹⁵ Also, although the court found that the city's application fee constituted a fine because part of the fee's purpose was to deter owners from allowing their buildings to be kept in a condition that violated city ordinances, it concluded that the proportionality between the fine and the gravity of the associated offense was not constitutionally excessive. Accordingly, the ordinance was not unconstitutional.²¹⁶

6. Cleveland, Ohio

An ambitious and very different approach to dealing with foreclosed properties in the Cleveland area was initiated in 2009 with the establishment of the Cuyahoga County Land Reutilization Corporation (CCLRC), a quasi-governmental arm of the county government authorized by legislation enacted earlier that year.²¹⁷

²¹³ See *Etzler v. City of Cincinnati*, No.1:07-cv-1035, 2013 WL 1196649 (S.D. Ohio Mar. 25, 2013).

²¹⁴ *Id.* at *2.

²¹⁵ *Id.* at *5.

²¹⁶ *Id.* at *9.

²¹⁷ [S.B. 353, 127th Gen. Assem. \(Ohio 2009\)](#).

The mission of the CCLRC is to gain control of properties in the county, which includes the city of Cleveland, and restore them to productive use, thereby reducing blight, increasing property values, and improving the quality of life for county residents.²¹⁸ In addition to taking properties through tax foreclosures, it plans to acquire properties from banks and other lenders. Armed with a dedicated revenue source in the form of the penalties and interest on delinquent tax payments, the CCLRC originally anticipated raising some \$40 million to fund its property acquisition activities.

LAND BANKS

Public sector land banks and dedicated land bank entities are emerging as powerful tools for local governments to gain control of vacant and problem properties, particularly in older industrial regions where properties have low market values and lenders are reluctant to invest in maintenance and repair. A land bank can be either a part of county or city government or a special-purpose entity dedicated to land banking. One example is the CCLRC, an independent authority created by Cuyahoga County, Ohio. The entity takes title to properties through various means, beginning with tax foreclosure; it maintains the property inventory, demolishing some buildings but preserving others; and it disposes of property in ways to benefit the public, including redevelopment and open space.

In the U.S., the model land bank is the Genesee County Land Bank Authority, which includes the city of Flint, Michigan. Michigan not only enacted state legislation authorizing counties to create land banks, it also changed its tax foreclosure law to create a faster process by which counties can achieve control of properties. Since its establishment in 2004, the GCLBA has become the major force for sound land use and redevelopment in Flint. The land bank carries out foreclosure prevention activities, sells lots to adjacent property owners, initiates redevelopment activities, and partners with the community to maintain vacant lots and create community gardens and mini-parks.

Where the existing market is not capable of recycling problem properties, and particularly where property values are low, a land bank promotes better property maintenance and revitalization.

Another significant tool in Cleveland's arsenal is the specialized Housing Court, a single-judge court that has developed an expertise in housing matters. As Professor Lind has noted, "The court sees the 'frequent fliers' come through and can get a sense of where the major problems are."²¹⁹

²¹⁸ Cuyahoga Land Bank, *About Us*, <http://www.cuyahogalandbank.org/aboutUs.php>.

²¹⁹ Kermit Lind interview, *supra* n.13.

7. Hackensack, New Jersey

The City of Hackensack's Abandoned Property Rehabilitation Ordinance is based on a 2004 New Jersey state statute that provides cities with a variety of legal tools to address the issues of dilapidated and unused properties.²²⁰ Both the ordinance and the statute permit the city to place a property on an abandoned-property list, which encumbers the offending property and in many cases prompts the owner to act without further insistence by the city. Under the law, the city may bring an action to gain control of the property through receivership and rehabilitate the property, or designate another entity, such as a nonprofit community development corporation, to act as its agent to rehabilitate the property. When the rehabilitation is complete, the city may sell the property under judicial supervision. The owner receives any funds remaining after deducting the costs of the receivership and any outstanding liens on the property.²²¹

The Hackensack ordinance has encouraged the rehabilitation of many homes in the city, but it is not easy to administer. Tracking the progress of each property and effectively communicating with uninvolved owners, who often view the law with disdain, have been challenging tasks. In addition, funding limitations require careful "triaging" of potentially eligible properties.²²²

²²⁰ See 2008 Mayors' Survey, *supra* n.162, at 22, available at <http://usmayors.org/vacantproperties/VacantandAbandonedProperties08.pdf> (citing N.J. Stat. Ann. §§ 55:19-55 *et seq.*, -78 *et seq.*). New Jersey is another of the states with the most extensive vacant property legislation. See Mallach, *Bringing Buildings Back*, *supra* n.46. New Jersey's vacant property laws address cleaning requirements, eminent domain, land banking, landlord registration, neighborhood revitalization, nuisance abatement, and receivership, among other aspects of vacant properties. These state laws are not specifically targeted at foreclosure property maintenance, although there is some cross-applicability. See *supra* Section II.B.2.d. for a discussion of foreclosure-specific action by the New Jersey legislature.

²²¹ *Id.*

²²² *Id.*

8. *Miami-Dade, Florida*

In December 2008, Miami-Dade County adopted Ordinance No. 08-134, which amended the county's Responsible Property Owner and Merchant Act to require the registration of vacant, blighted, unsecured, or abandoned structures.²²³ Not quite one year later, Maria de la Milera, from the Office of Neighborhood Compliance in Miami-Dade, Florida, reported that in the ordinance's first month, 1,053 properties were registered.²²⁴ The ordinance, which makes mortgage holders responsible for property upkeep when a notice of lis pendens or foreclosure action is filed, applies only to the unincorporated areas of Miami-Dade County.²²⁵

As de la Milera describes the ordinance, when the property is registered as vacant, an inspector goes out to check on it and to make sure that it is in compliance. If the property is not maintained, the county may issue a \$500 citation. In that case, the owner or lender has 30 days to bring the property into compliance; if the property is not compliant after that time, the regular code enforcement process begins.²²⁶

The main purpose of the ordinance, asserts de la Milera, is to keep in contact with property managers and lenders. It is fairly simple to comply: registration forms may

²²³ Miami-Dade County Ordinance No. 08-134 is available at <http://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2008/083643min.pdf>.

²²⁴ Telephone Interview with Maria de la Milera, Office of Neighborhood Compliance, Miami-Dade, Florida (Sept. 22, 2009)

²²⁵ *Id.*, see also [Miami-Dade County, Fla., Code of Ordinances § 19-1 \(2015\)](#).

²²⁶ de la Milera interview, *supra* n.226.

be downloaded online and sent in by mail with a company check. Workshops were held to explain the ordinance before it went into effect.²²⁷

The ordinance also amended chapter 17A to provide that the holder of a note is an “operator” subject to the requirements set forth in the county’s Metropolitan Miami-Dade County Minimum Standards for Vacant Structures Ordinance.²²⁸ In addition, de la Milera also reported that any party that acquires a property through foreclosure must provide a certificate of use when the property is sold to a new buyer. The purpose of the certificate of use is to make full disclosure to the buyer of the property’s condition, which in turn may motivate owners to make repairs in order to bring their properties into code compliance.²²⁹

9. Milwaukee, Wisconsin

In January 2009, Milwaukee enacted an ordinance regulating the maintenance of abandoned residential properties during foreclosure proceedings.²³⁰ Parties with a mortgage lien interest in such property must now register the property within five days after it is found to be abandoned. The lender must physically inspect the property within 30 days after foreclosure is initiated, and at least once every 30 days thereafter until the property is sold or is no longer in default. If the inspection reveals that the property has

²²⁷ *Id.*

²²⁸ For the full text of the Metropolitan Miami-Dade County Minimum Standards for Vacant Structures Ordinance, see https://www.municode.com/library/fl/miami-dade-county/codes/code_of_ordinances?nodeId=PTIICOOR_CH17AVASTSTMI_S17A-5DE.

²²⁹ de la Milera interview, *supra* n.226.

²³⁰ See City of Milwaukee Dep’t of Neighborhood Services, *Maintenance of Abandoned Properties in Foreclosure*, <http://city.milwaukee.gov/APIF#.VmX-H4REckM>; a full text of the city’s ordinance is available at http://city.milwaukee.gov/DNS/APIF/Code200225#.VmX_DIREckM.

been abandoned, the lender or its agent must register the property²³¹ and provide ongoing maintenance. The Milwaukee ordinance provides for criminal penalties for failure to comply.²³²

Dave Krey, a representative of the Milwaukee Department of Neighborhood Services in 2009, characterized the city’s ordinance as a “pre-foreclosure” ordinance that takes effect after the lender files the notice of lis pendens, thereby targeting lenders instead of the people being foreclosed on.²³³ The periodic inspections are required to ensure that the grass is cut, the snow is shoveled, and that trash is not accumulating—in other words, that neighbors are not disturbed and that there are no major health or safety issues.²³⁴ The overall purpose of the ordinance is to reduce neighborhood blight, correct unhealthy conditions, promote neighborhood stability and residential owner occupancy, and maintain residential property values through the city’s registration program.²³⁵ Additionally, the city asks neighbors to monitor the conditions around them and report issues to prevent further deterioration to the neighborhood and help protect property values.²³⁶ However, the ordinance also clearly states that it does not excuse a residential property owner from complying with all applicable building codes and

²³¹ A copy of the registration form is available at http://city.milwaukee.gov/ImageLibrary/Groups/dnsAuthors/APIF/forms/DNS-20a_APIF.pdf.

²³² City of Milwaukee Dep’t of Neighborhood Services, *Maintenance of Abandoned Properties in Foreclosure*, *supra* n.232.

²³³ Telephone Interview with Dave Krey, City of Milwaukee, Department of Public Services (Oct. 19, 2009).

²³⁴ *Id.*

²³⁵ City of Milwaukee Dep’t of Neighborhood Services, *Maintenance of Abandoned Properties in Foreclosure*, *supra* n.232.

²³⁶ *Id.*

ordinances, and that the owner “at all times remain[s] responsible and liable therefore.”²³⁷

10. *New Haven, Connecticut*

In February 2009, the City of New Haven amended its Code of Ordinances to add a foreclosure property registration requirement.²³⁸ Lenders must now register and pay an annual registration fee of \$100 fee for all residential properties on which they have initiated foreclosure proceedings, and they must provide up-to-date contact information as well. Standard residential maintenance requirements and codes also apply to foreclosed properties. Failure to register a residential property in foreclosure is subject to a penalty of \$250 per day.²³⁹

11. *Providence, Rhode Island*

Providence has enacted a "vacant property penalty" that enables the city to impose a fine equal to 10 percent of the vacant property's assessed value if the property remains unoccupied and becomes a blight on the neighborhood.²⁴⁰ According to the city's Planning Director in 2009, Thomas E. Deller, they had “inspectors out there . . . inspecting every neighborhood in the city and identifying every property.”²⁴¹ Deller

²³⁷ [Milwaukee, Wis., Code of Ordinances § 200-22.5\(1\) \(2015\)](#).

²³⁸ See New Haven, Conn., Ordinance #1583 (Jan. 22, 2009), available at http://www.safeguardproperties.com/pub/pdf/3805_001.pdf.

²³⁹ *Id.*

²⁴⁰ Simon, *Vacant-Property Fees Add to Mortgage Firms' Woes*, *supra* n.94, available at <http://www.wsj.com/articles/SB121729136482591693>.

²⁴¹ *Id.*

noted that his department had already inspected close to 1,000 vacant properties.²⁴² The city provides a one-year grace period to bring property into compliance, after which a tax became due.²⁴³ Any person who, through foreclosure or otherwise, vacates or maintains vacant property must notify the Department of Inspection and Standards. The registration fee is \$100 for the first year, \$200 for the second year, and \$300 for the third year.²⁴⁴

However, despite these efforts, eight years after the height of the foreclosure crisis, Providence continues to have a vacant property problem in 2015.²⁴⁵ Jorge Elorza, the city's mayor, noted in March 2015 that there were still about 600 abandoned and vacant properties throughout the city. The mayor, who had been a judge on the city's housing court, made the city's housing crisis a major platform of his campaign, and he hopes to eliminate the problem.²⁴⁶ Recent news indicates that city officials have launched a new initiative to rehabilitate the city's vacant residential properties by joining forces with Rhode Island Housing and providing small low-interest renovation loans from a revolving loan fund that is initially seeded with \$3 million.²⁴⁷

²⁴² Simon, *Vacant-Property Fees Add to Mortgage Firms' Woes*, *supra* n.94, available at <http://www.wsj.com/articles/SB121729136482591693>.

²⁴³ Telephone Interview with Representative of City of Providence Planning Department (Oct. 20, 2009).

²⁴⁴ [Providence, R.I., Code of Ordinances, art. XV, § 21-253\(b\) \(2015\)](https://www.municode.com/library/ri/providence/codes/code_of_ordinances?nodeId=PTIICOOR_CH21RE_FI_ARTXVREESNILTA_S21-253NODEVAAB). see also *Notification of Vacant and/or Abandoned Property form*, available at https://www.municode.com/library/ri/providence/codes/code_of_ordinances?nodeId=PTIICOOR_CH21RE_FI_ARTXVREESNILTA_S21-253NODEVAAB.

²⁴⁵ John Bender, R.I. Public Radio, *A Small Victory in Providence's Latest Fight Against Foreclosures* (Mar. 23, 2015), available at <http://ripr.org/post/small-victory-providences-latest-fight-against-foreclosures>.

²⁴⁶ *Id.*

²⁴⁷ Mary MacDonald, Providence Business News, *Providence, R.I. Housing Team up to Eliminate Abandoned Homes* (Oct. 13, 2015), available at <http://pbn.com/Providence-RI-Housing-teaming-up-to-eliminate-abandoned-homes-from-city,109479?>.

12. Raymore, Missouri

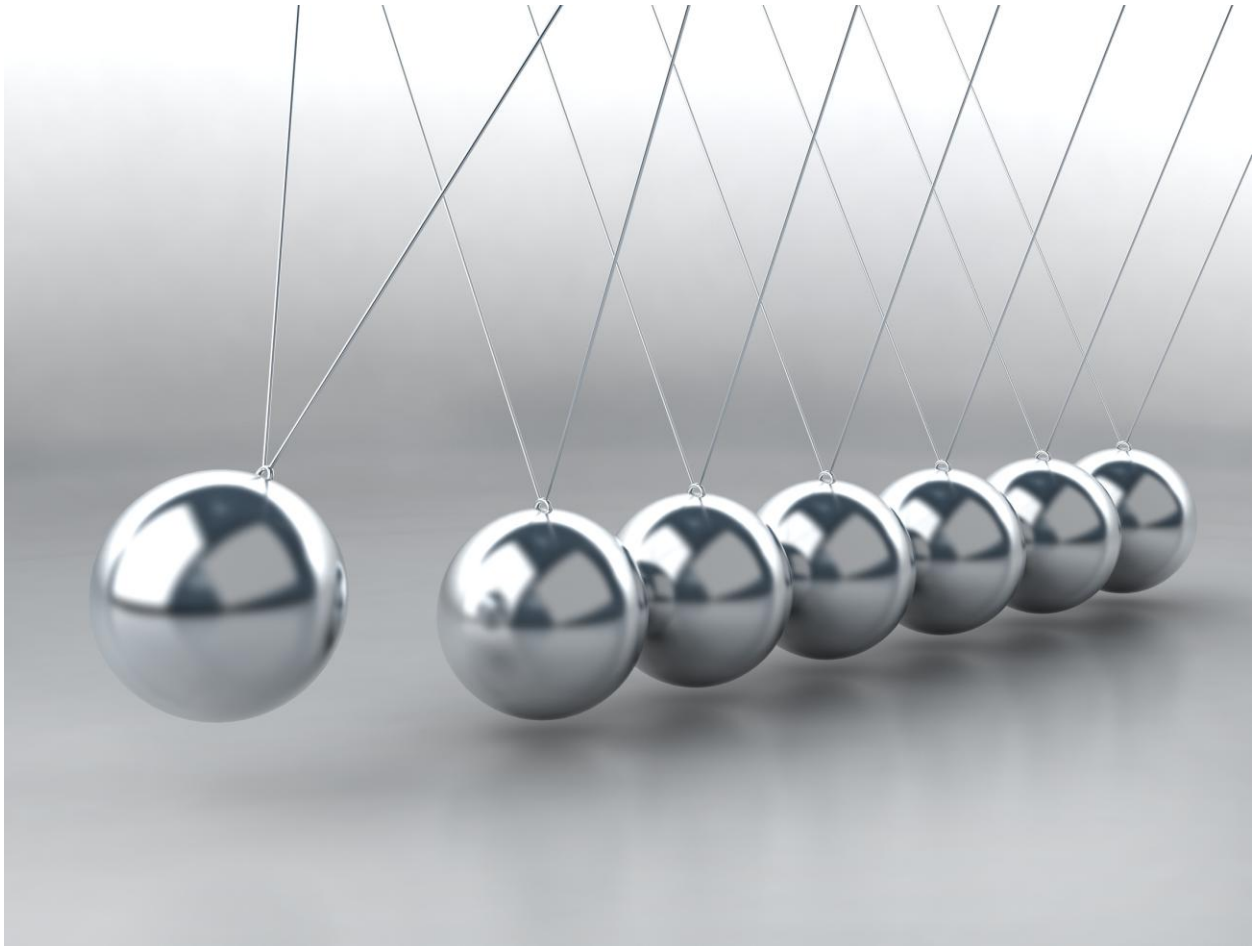
The City of Raymore, Missouri, a suburb of Kansas City, amended its property maintenance code in February 2009 to require registration of all properties in foreclosure and to impose responsibility for maintenance on lenders.²⁴⁸ City officials based their action on concern over the increasing number of foreclosures at both the national and local level, and the corresponding increase in the presence of vacant and unmaintained properties in their community. The council cited in particular the concern that “in many instances the lenders and trustees fail to adequately maintain and secure these vacant properties,” leading to potential for neighborhoods in decline, public nuisances, and lower property values.²⁴⁹

The ordinance requires any beneficiary under of a deed of trust—which includes lenders—covering property located within the city to ensure that the property is inspected within 15 days of issuing a notice of default. The lender’s contact information must be provided, as well as the name of any property maintenance company responsible for the property’s upkeep, security, or marketing. The ordinance also sets forth maintenance and security requirements and provides for a fine of \$500 per violation.²⁵⁰

²⁴⁸ See Raymore, Mo., Ordinance 29024 (Feb. 24, 2009), available at http://www.safeguardproperties.com/pub/pdf/Raymore_MO_VPR.pdf.

²⁴⁹ *Id.*

²⁵⁰ *Id.*



***G. Implications of State and Local Property
Maintenance Measures***

As the above discussion clearly demonstrates, many communities across the nation impacted by the foreclosure and vacant property crisis have enacted new ordinances, implemented new rules, and energized their enforcement of existing ones. Communities have continued to enact vacant property registration ordinances since NAR first visited this topic in 2010. For example, California now has 121 enacted and enforced ordinances that require vacant property to be registered, and another 11 communities have proposed ordinances that are pending approval.²⁵¹ While communities expect to reap significant benefits from these measures, such provisions inevitably affect a variety of interests. This section captures a range of perspectives on these issues and identifies some of the enforcement and implementation problems related to these ordinances and programs.

1. Impact on Lenders

Lenders are most greatly impacted by many of the new enactments, which impose greater responsibility on them with respect to properties undergoing foreclosure. They have consistently opposed adoption of such measures, at both state and local levels. Keeping up with so many different regulations and changes has become a challenge for the mortgage industry.²⁵²

²⁵¹ Safeguard Properties, *Vacant Property Registration: CA*, http://safeguardproperties.com/Resources/Vacant_Property_Registration/CA.aspx?filter=vpr&page=all.

²⁵² Simon, *Vacant-Property Fees Add to Mortgage Woes*, *supra* n.94, available at <http://www.wsj.com/articles/SB121729136482591693>.

The MBA has also observed that the state and local responses to the mortgage and real estate upheavals challenge lenders.²⁵³ Even so, the MBA in 2008 listened to cities' concerns and has attempted to balance them against the challenges lenders face inspecting, securing, and maintaining vacant properties throughout the country.²⁵⁴ The MBA opposes countless varied ordinances that require more and more resources and increase the risk of fees and penalties for failure to comply, and instead urges the use of an electronic database system—the Mortgage Electronic Registration System (MERS®)—which maintains a comprehensive list of property preservation contacts and a list of MERS® servicers.²⁵⁵

Lenders and servicers continue to struggle with local ordinances today. In 2013, five years into the mortgage crisis, controversy remained regarding ordinances that placed vacant property requirements on mortgage holders but did not distinguish between pre- and post-foreclosure properties. The issue is that these ordinances make mortgage holders equally responsible for properties before and after a foreclosure sale, even though they do not have legal title before the sale. The Federal Housing Finance Agency has won a lawsuit against the City of Chicago related to that issue. The Agency, as conservator for Fannie Mae and Freddie Mac, claimed that because the Chicago ordinance did not recognize the distinction between the pre-sale and post-sale status of properties, the entities' liability increased, which could also increase the liability for

²⁵³ See Robert Klein, *Mortgage Banking—The MERS Alternative to Vacant-Property Registration Ordinances*, available at http://safeguardproperties.com/News/Safeguard_in_the_News/2009/09/Mortgage_Banking_-_The_MERS_Alternative_to_Vacant-Property_Registration_Ordinances.aspx.

²⁵⁴ *Id.*

²⁵⁵ *Id.* See <http://www.mersinc.org/about-us/about-us> for more information about the MERS® registration system.

taxpayers. According to the lawsuit, Fannie Mae and Freddie Mac owned more than 250,000 loans secured by properties in Chicago in 2011, and the fines could be as much as \$1,000 per day per property. The court ruled that Fannie Mae and Freddie Mac could continue to follow their own guidelines instead of following Chicago's vacant property ordinance requirements.²⁵⁶

After the judgment, the Federal Housing Finance Agency and the city negotiated a settlement on April 3, 2014. Pursuant to the settlement, the city does not require Fannie Mae and Freddie Mac to comply with Chicago's vacant and abandoned building ordinances and does not fine the Agency for ordinance violations. However, Fannie Mae and Freddie Mac must require that a mortgage servicer comply with their guidelines for foreclosed properties, and they must voluntarily register their vacant properties, but they are not subject to the \$500 registration fee.²⁵⁷ Fannie Mae and Freddie Mac also agreed to waive any right to monetary damages or to recover any amounts previously paid to the city of Chicago for vacant property registrations.²⁵⁸

Henish Pulickal, former manager of San Diego-based Accredited Home Lenders, also believes that the anti-bligh measures may place unnecessary burdens on the

²⁵⁶ *Federal Housing Finance Agency v. City of Chicago*, No. 11 C 8795, 2013 WL 4505413 (N.D. Ill. Aug. 23, 2013); see also Robert Klein, *Vacant Property Ordinances: A Look Through the Rearview Mirror* (Oct. 2013), available at http://www.mortgageorb.com/issues/SVM1310/FEAT_04_Vacant-Property-Ordinances-A%20Look-Through-The-Rearview-Mirror.html.

²⁵⁷ Ben Lane, *FHFA Reaches Settlement with City of Chicago over Vacant Property Lawsuit* (April 8, 2014), <http://www.housingwire.com/articles/29606-fhfa-reaches-settlement-with-city-of-chicago-over-vacant-property-lawsuit>.

²⁵⁸ Jill Rein, *Vacant Property Registration: Illinois* (Spring 2014), http://www.usfn.org/AM/Template.cfm?Section=Home&TEMPLATE=/CM/HTMLDisplay.cfm&SECTION=Article_Library&CONTENTID=24632.

lending industry.²⁵⁹ But others in the lending industry believe the new ordinances can be a good thing. Robert Klein, founder and chairman of the board of Safeguard Properties and Chairman of the MBA's Vacant Property Registration Committee, supports measures like the one enacted in Chula Vista, believing it is in everyone's best interests to deal with abandoned properties early on, before blight sets in.²⁶⁰ Klein has been a leader in advocating the MERS[®] registration system for local governments as an alternative to local registration requirements to reduce duplication in the process.

2. Impact on the Real Estate Industry

Many real estate professionals work closely with lenders, supervising repairs to foreclosed homes and preparing the homes for resale.²⁶¹ Some believe this voluntary collaboration works well, but remain concerned that strict vacant property ordinances could actually create further burdens in already heavily impacted areas.

REALTORS[®] are concerned that certain specific problems could arise with respect to the local enactments. Many local ordinances impose a registration requirement for vacant properties, for instance, that is triggered by the filing of a notice of default. In some cases, the lender is required to perform an inspection to determine whether the property is vacant before filing that notice. Some REALTORS[®] question whether lenders or their agents should be put in the position of making such a determination. Local ordinances may offer a list of visible indicators of vacancy, such as

²⁵⁹ Pierce, *City Under Gun to East Blight Fight—Lenders Squeezed by Chula Vista's Fines, Penalties*, *supra* n.161, available at <http://www3.signonsandiego.com/stories/2009/jul/07/city-under-gun-ease-blight-fight/>.

²⁶⁰ *Id.*

²⁶¹ *Id.*

unopened mail or weeds, but these indicia in and of themselves may or may not evince actual vacancy. If a delinquent borrower still resides on the premises, an unannounced or unwelcome inspection could lead to conflicts.

Other issues could arise, REALTORS[®] believe, if a city makes the determination that a property is vacant and, in order to prevent blight, performs maintenance on the property. Lenders may be unaware of the maintenance, as well as any fines or reimbursement costs that the city has imposed. If these costs go unpaid, the city may place a lien on the property, which will be recouped when the property is re-sold. Real estate agents should be cognizant that such fines or liens may have been imposed, and must be prepared to negotiate to have them reduced or removed.²⁶² If unsuccessful, they should ensure that the information has been properly recorded to alert future buyers.

Richard D'Ascoli, Government Affairs Director for the Pacific Southwest Association in 2009, has asserted that these concerns are justified.²⁶³ "There have been a lot of unintended consequences with [the Chula Vista] ordinance" in particular, said D'Ascoli. Local ordinances like Chula Vista's can impose unworkable burdens on REALTORS[®] if, for example, foreclosing lenders do not live up to their obligations,

²⁶² Municipal authority to enter a property and to use public funds to abate nuisance conditions, such as weeds or debris, or an unsecured or hazardous structure, is settled law in all states. The authority to place a lien on the property does not depend on whether the lender is responsible for property maintenance. Clearly, anyone with an interest, broadly defined, in any property has an ethical, if not legal, obligation to be aware of the relevant laws that may potentially affect his or her interest.

²⁶³ Telephone interview with Richard D'Ascoli, Government Affairs Director, Pacific Southwest Association of REALTORS[®] (Sept. 22, 2009).

resulting in fines for noncompliance.²⁶⁴ If the fines are not paid, they may become a lien against the property. Then, if the lender gave the REO listing to the agent or broker with a set fee for his or her services that includes paying off maintenance liens, he or she loses money. In other words, if REALTORS® have to pay off the liens, the expense ends up coming out of commissions.²⁶⁵

One possible way to avoid this “fall-out effect,” while preserving local governments’ ability to prevent nuisances and neglected properties, may be to stay fines until lenders receive notice of property conditions that require their attention, as well as a minimum specified time to remedy any cited problems. Then, if a fine is imposed, it would encumber only the lender, and not the property—in that case, it could not become a lien, and it could not be deducted from an agent’s commission.²⁶⁶ Pat Russiano, President of the Pacific Southwest Association of REALTORS®, has also observed that large fines for noncompliance with vacant property ordinances could become liens on defaulted properties, ultimately discouraging their purchase, and impacting REALTORS® and homeowners alike.²⁶⁷

REALTORS® also acknowledge the administrative burden that registration requirements impose on cities, noting that local governments may have to dedicate and/or hire staff to effectively run newly enacted programs. Attempting to pass along

²⁶⁴ See, e.g., California Association of REALTORS®, Legislative, Real Estate Finance, and Local Governmental Relations Committees, *Lender Pre-Foreclosure Access to Default Properties* (Jan. 2009). Note that the information presented therein was intended for discussion purposes.

²⁶⁵ *Id.*

²⁶⁶ *Id.*

²⁶⁷ Pierce, *City Under Gun to East Blight Fight—Lenders Squeezed by Chula Vista’s Fines, Penalties*, *supra* n.161, available at <http://www3.signonsandiego.com/stories/2009/jul/07/city-under-gun-ease-blight-fight/>.

any of the costs of this increased administrative burden to property owners will add more costs to already severely strained housing and lending markets. Despite these challenges, agents and brokers also stand to reap rewards from increased lender responsibility, enforcement of maintenance standards, increased home values, and quicker homeowner turnaround—all of which are goals of many of the new local requirements.

3. *Impact on Homeowners and Neighbors*

Foreclosures significantly reduce the value of neighboring properties, as shown by studies of Chicago,²⁶⁸ New York,²⁶⁹ and a comparative study of seven different metropolitan areas.²⁷⁰ The blighting effect associated with vacancy and abandonment from the foreclosure process clearly reduces property values in the surrounding areas. The market effects of reduced prices from distress sales, including both REO and short sales, may exacerbate this pressure. While research suggests that the effects of foreclosures on property values is multiplied when they occur in geographic clusters, earlier research from Philadelphia documented that a *single* abandoned and boarded house can dramatically reduce property values on its block.²⁷¹

²⁶⁸ Dan Immergluck & Geoff Smith, “The External Costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values,” *Housing Policy Debate* 17:1, 2006.

²⁶⁹ J. Schuetz, V. Been, & I. G. Ellen, “Neighborhood Effects of Concentrated Mortgage Foreclosures,” *Journal of Housing Economics*, 2008.

²⁷⁰ John P. Harding, Eric Rosenblatt, and Vincent W. Yao, “The Contagion Effect of Foreclosed Properties” *Journal of Urban Economics*, 2009.

²⁷¹ Anne B. Shlay and Gordon Whitman, *Research for Democracy: Linking Community Organizing and Research to Leverage Blight Policy*, Temple University, 2004, available at <http://comm-org.wisc.edu/papers2004/shlay/shlay.htm>.

For neighbors near abandoned dwellings, the houses are eye-sores and threats to safety and home values in the neighborhood. One commentator recently noted that “[o]ver the past decade, some weak market neighborhoods have lost entire blocks of housing to abandonment and blight at huge costs to other homeowners, mortgagees, and municipalities.”²⁷² Whereas a property owner or lender may have options to improve the situation, neighbors of abandoned houses have “virtually no means of defending their property interests.”²⁷³ In 2015, the total loss of savings in home equity to millions of middle- and lower-income households in the United States over the past decade has been estimated to be trillions of dollars, in addition to an incalculable cost in terms of quality of life, health, and diminished opportunity.²⁷⁴

While reduced prices can be a boon for some home-buyers, they can often cause more problems than they solve. To begin, lower prices often put home *sellers* in an untenable position. Lower prices mean that millions of homeowners are under water, particularly in Sunbelt areas where a particularly high percentage of owners bought their homes during the housing bubble. If they need to sell, they will not be able to recover the full amount of their mortgage. Either they will need to bring cash to the closing table, or convince their lender to permit a short sale, a laborious and often problematic process. Moreover, as prices decline to the point where the carrying costs are equal to or less than market rents, many areas are seeing sharp increases in speculative buying

²⁷² Lind, *Perspectives on Abandoned Houses in a Time of Dystopia*, *supra* n.17, available at http://www.americanbar.org/content/dam/aba/publications/journal_of_affordable_housing/volume_24/AH%2024-1_05Lind.authcheckdam.pdf.

²⁷³ *Id.*

²⁷⁴ *Id.*

by investors.²⁷⁵ While many investors are responsible owners, some are not. Unless carefully monitored and managed by local governments, this trend could create a wave of future problems for these communities.

Although the benefits may be hard to quantify, effective property maintenance ordinances—those that ensure that a responsible party is always identified and accessible throughout the foreclosure process and that include high maintenance standards and solid enforcement—will benefit nearby property owners. The positive effects extend to both those seeking to sell their homes and those seeking to remain in the neighborhood, by maintaining the area’s quality of life and preventing blight-driven declines in property value. They will also benefit homebuyers by helping to stabilize property values and the quality of life in the community.

4. Implementation Issues

Every new initiative creates potential implementation issues, and property maintenance measures are no exception. While registration requirements enable cities to keep tabs on property owners and foreclosing lenders, administering these new requirements takes time, staff, and financial resources from what are often already overworked and underfunded city departments. The need for inspectors called for by new ordinances takes more people and money, while the city’s tax base is depleted from the increase in vacant properties. In 2010, while it at least appeared possible that these costs could be covered through fees and fines, it seemed highly uncertain, and

²⁷⁵ See, e.g., Carolyn Said, *Oakland Group Buying Contra Costa Foreclosures*, San Francisco Chronicle, Aug. 2, 2009, available at <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/08/02/MNJM1911TR.DTL&type=newsbayarea>; David Streitfeld, *Amid Housing Bust, Phoenix Begins a New Frenzy*, New York Times, May 23, 2009, available at <http://www.nytimes.com/2009/05/24/business/24phoenix.html>.

even if that turned out to be the case, the costs would need to be incurred well before the funds were fully in hand.

A recent analysis confirms that prediction. An increase in abandoned housing has cost municipalities more for inspections, grass cutting, board-ups, emergency services, and demolitions. At the same time, it has depleted municipal tax bases that help pay for these services.²⁷⁶ Municipalities need new policies and programs to meet these challenges, but legislative and regulatory institutions influenced by well-financed business interests have opposed those efforts. Even in 2015, “most municipal officials do not yet see an end to their abandoned house problem.”²⁷⁷

Furthermore, the necessary code compliance system in most communities cannot deal with the volume of abandoned houses. Various local government compliance and enforcement agencies typically operate independently and in a vacuum, unaware of other departments’ actions. As a result, there is frequently “insufficient coordination in public safety operations to constitute a reliable system able to ensure compliance with neighborhood housing, health, and safety laws, especially compliance by absentee owners and controlling lien holders.”²⁷⁸

Unfortunately, the competing perspectives of the various parties involved in fighting blight over the past decade have “resulted in piecemeal responses none of

²⁷⁶ Lind, *Perspectives on Abandoned Houses in a Time of Dystopia*, *supra* n.17, available at http://www.americanbar.org/content/dam/aba/publications/journal_of_affordable_housing/volume_24/AH%2024-1_05Lind.authcheckdam.pdf.

²⁷⁷ *Id.*

²⁷⁸ *Id.*

which alone is a reliable solution.”²⁷⁹ Some of these “piecemeal ‘solutions’ actually make things worse because they serve only the interests of the politically and economically powerful at the expense of the poorly represented.”²⁸⁰

More statewide coordination may alleviate some of these problems. For example, New Jersey enacted legislation in 2014 that gave its municipalities more authority to regulate vacant residential property and to hold foreclosing lenders responsible for maintenance.²⁸¹ Also, some jurisdictions have enacted programs that use collaborations between various local groups. One good example of a coordinated collaboration between civic groups and public authorities is the Vacant Abandoned Property Action Council in Cleveland, Ohio. Similar collaborative efforts have occurred in Baltimore, Philadelphia, Memphis, and Buffalo.²⁸²

Some states have attempted to alleviate the problem of vacant foreclosure property by enacting “fast track” foreclosure laws. Although these laws do not directly address the problem of maintaining vacant and abandoned property, they are intended to help property move more quickly and thereby ease the delay caused by the unprecedented volume of cases in the foreclosures process, primarily in states that require court approval of foreclosure sales. At least seven states, including Michigan, Oklahoma, Kentucky, Indiana, New Jersey, Nevada, and Illinois, have enacted fast-track foreclosure laws since 2009. In most cases, the laws tie a right to a fast-track

²⁷⁹ *Id.*

²⁸⁰ *Id.*

²⁸¹ N.J. Stat. Ann. § 40:48-2.12s (2015)

²⁸² Lind, *Perspectives on Abandoned Houses in a Time of Dystopia*, *supra* n.17, available at http://www.americanbar.org/content/dam/aba/publications/journal_of_affordable_housing/volume_24/AH%2024-1_05Lind.authcheckdam.pdf.

foreclosure to a mortgage holder's claim that a property is "abandoned." Although one commentator concludes that several of these laws effectively achieve the "twin goals of prompt completion of foreclosures of properties that are truly unoccupied and abandoned," other statutes have been drafted broadly, are overly inclusive or vague, or add new and burdensome procedural requirements for homeowners.²⁸³

If financially strapped cities are unable to adequately carry out the new responsibilities imposed by their ordinances, the entire rationale for the ordinance may be called into question. An ordinance that is not enforced is often worse than no rule at all. While a city might try to target particular areas or types of properties, that focus requires careful planning and legal analysis to avoid discriminatory or arbitrary results that could open a legal challenge. Defending against charges of discrimination and unconstitutionality, as in Cincinnati, can cost a city countless hours and untold dollars, even if such charges are ultimately proved baseless. Furthermore, staff must be trained to carry out the ordinances, another activity that takes time and money. Inadequately trained staff, sent out to deal with complex situations for which they are ill-prepared, can do more harm than good.

As problems with vacant properties grew, many municipalities attempted to protect vacant properties by unintentionally imposing requirements, such as lighting requirements, large notices, and requiring in-ground pools to be maintained with fresh water. These measures frequently did more harm than good. Requirements related to lighting are not practical if the property's power has been turned off. Also, lighting a vacant property or posting large notices may attract more crime, and filling a swimming

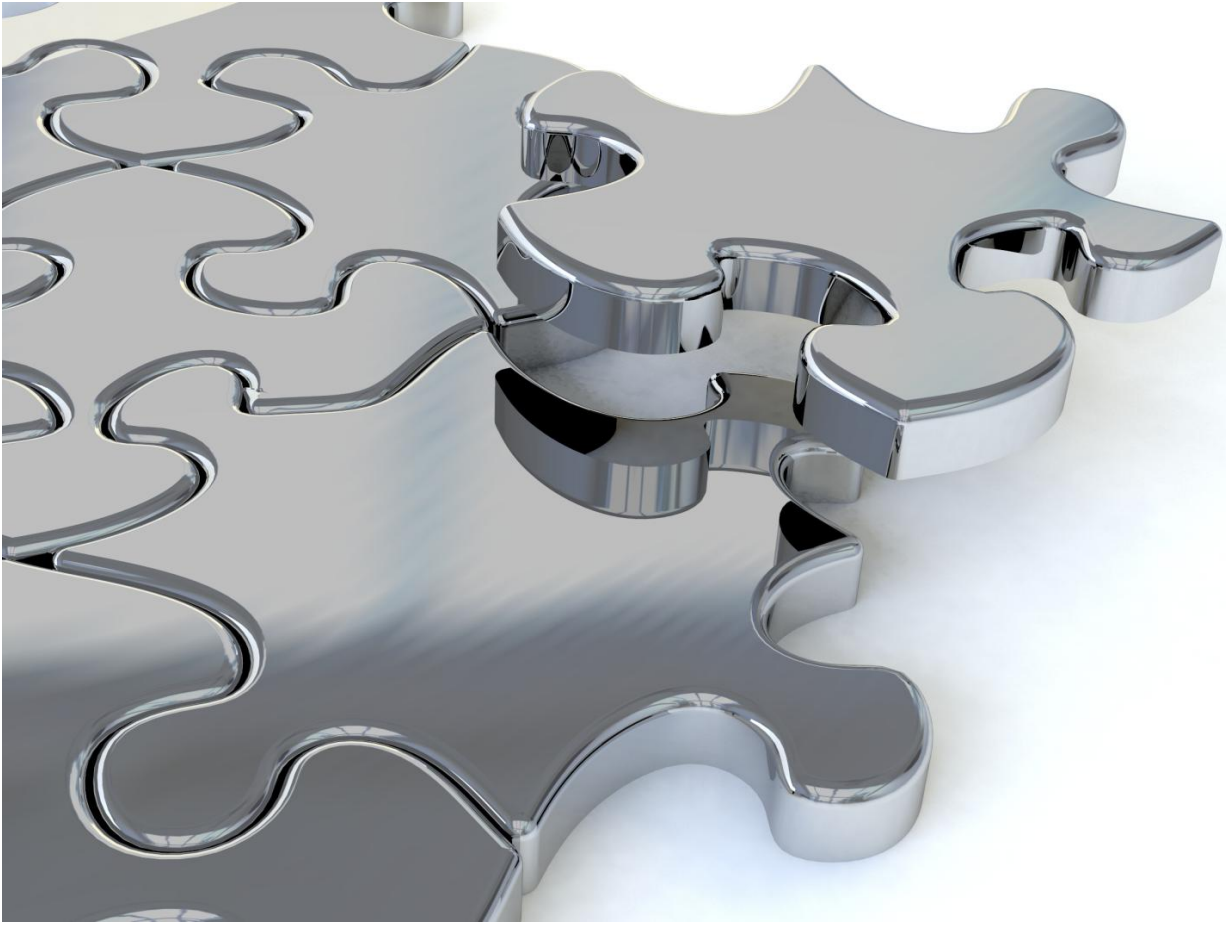
²⁸³ Walsh, *supra* n.42, available at <http://www.nclc.org/images/pdf/pr-reports/report-fast-track-foreclosure-laws.pdf>.

pool may not be possible if the water has been turned off, not to mention the fact that an uncovered pool at a vacant property is dangerous to children.²⁸⁴

Another possible pitfall arises because so many new ordinances are being enacted, and each one is at least a little different from the next. As a result, it has become increasingly difficult for anyone to keep track of all of the new and changing requirements. Lender and broker professional engagements frequently extend across multiple city borders, and it can be a significant challenge to distinguish between what is right and wrong from one block or development to the next. At the same time, sophisticated lenders and property management companies are developing databases to deal with this problem.

Thus, cities continue to grapple with foreclosures, vacant properties, and all the problems associated therewith. The “fix” is not simple. While the future holds promise, it also promises to remain a challenge, even in the current economic climate.

²⁸⁴ Klein, *Vacant Property Ordinances: A Look Through the Rearview Mirror*, *supra* n.257, available at http://www.mortgageorb.com/issues/SVM1310/FEAT_04_Vacant-Property-Ordinances-A%20Look-Through-The-Rearview-Mirror.html.



III. Conclusion

In communities suffering from a significant number of foreclosures, vacant properties can become not only unsightly, but, even worse, dangerous, posing a substantial threat to a neighborhood's stability and its residents' quality of life. As defaulting homeowners vacate their properties, and those properties fall into disrepair, property values in the surrounding communities decline. Crime, vandalism, and the need for city services increase, while the tax base shrinks with each vacating owner. Cities thus have fewer financial resources to deal with the challenges that vacant properties present, and the ripples spread farther and farther outward. Communities, homeowners, lenders, and REALTORS® all face significant challenges as a result of this phenomenon.

In response to the crisis, many cities throughout the United States have enacted new property maintenance and nuisance ordinances or have started reinforcing existing ones. They have imposed and increased fines and other penalties, as well as added new requirements for registering, maintaining, insuring, and securing foreclosed properties. In the course of addressing this issue, communities have been forced to confront the central question: against whom are the obligations enforced? Once the homeowner has vacated the property, often before the foreclosure sale, the homeowner is no longer in a position, financially or emotionally, to take on maintenance or security obligations. While lenders may have the right to do so, they may not choose to exercise that right until after the foreclosure sale, often long after the blight has occurred.

Some communities, like Chula Vista, California, recognized this conundrum, and have passed ordinances that put the onus on lenders to maintain the property once they have initiated a foreclosure. Some see these ordinances as having beneficial side

effects. Lenders, some argue, may be motivated to keep homeowners in their homes longer, or otherwise keep property occupied, rather than face the burden of these ordinances' requirements. Or foreclosure may be avoided in the first place, some say, if lenders are saddled with extra expenses for security and maintenance or with cumbersome registration requirements, creating incentives to work harder with borrowers *before* foreclosing.

The effectiveness of vacant property ordinances and registries is still open to debate. Although there has been some disagreement about the effectiveness of the new rules, and the experience of the past decade has shown that they are far from perfect, all would agree that reduced property values, increased crime, unsightly neighborhoods, and overstressed municipal coffers are undesirable conditions. Although the recent foreclosure crisis has subsided, many cities still must cope with excess vacant properties. Possible solutions in 2015 continue to include, as they did in 2010, a combination of vacant property registration ordinances, land banks, fast-track foreclosures, and housing courts, all used in a coordinated effort to fight blight. Furthermore, these programs must be both designed well and used in an effective manner. If consensus is to be reached and real progress is to be made, community organizations, leagues of cities, governmental bodies, and professional groups representing both lenders and REALTORS® must continue to work together to find a solution that addresses the blight, while avoiding undue financial hardship for any single sector involved in this complex, challenging problem.

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APPENDIX

SUMMARY OF STATE LAW RESEARCH

STATE LAWS ON MAINTAINING FORECLOSED/VACANT PROPERTY

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
Alabama	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Alaska	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	Alaska law provides that an insurer may cancel a personal insurance policy for the "entire abandonment of the property that increases a hazard insured against." If an insurer cancels a policy for this reason, the insurer must give the lender on file notice of the policy's cancellation. In this context, "entire abandonment" means the property is no longer occupied by the insured and does not have "contents of substantial utility." Alaska Stat. §

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
				21.36.210(f).
Arizona	<p>No statutes or regulations were located in which external property maintenance responsibility during a foreclosure is allocated.</p> <p>However, an Arizona statute provides that, after a foreclosure sale, a court may order that the balance due on a mortgage foreclosure judgment constitutes a lien against the judgment debtor's other property, if the sale price was less than the amount of judgment because the real property's value diminished while in the judgment debtor's ownership, possession, or control.</p> <p>Ariz. Rev. Stat. § 33-729.</p> <p>A seller of foreclosed property may maintain an action against any person, including the buyer, for damages or to prevent physical abuse or waste of the property.</p> <p>Ariz. Rev. Stat. § 33-749.</p>	<p>No statutes or regulations were located in which responsibility for foundation maintenance during a foreclosure is allocated.</p> <p>However, an Arizona statute provides that, after a foreclosure sale, a court may order that the balance due on a mortgage foreclosure judgment constitutes a lien against the judgment debtor's other property, if the sale price was less than the amount of judgment because the real property's value diminished while in the judgment debtor's ownership, possession, or control.</p> <p>Ariz. Rev. Stat. § 33-729.</p> <p>A seller of foreclosed property may maintain an action against any person, including the buyer, for damages or to prevent physical abuse or waste of the property.</p> <p>Ariz. Rev. Stat. § 33-749.</p>	<p>No statutes or regulations were located in which responsibility for structural maintenance during a foreclosure is allocated.</p> <p>However, an Arizona statute provides that, after a foreclosure sale, a court may order that the balance due on a mortgage foreclosure judgment constitutes a lien against the judgment debtor's other property, if the sale price was less than the amount of judgment because the real property's value diminished while in the judgment debtor's ownership, possession, or control.</p> <p>Ariz. Rev. Stat. § 33-729.</p> <p>A seller of foreclosed property may maintain an action against any person, including the buyer, for damages or to prevent physical abuse or waste of the property.</p> <p>Ariz. Rev. Stat. § 33-749.</p>	No applicable statutes or regulations were located.
Arkansas	Under Arkansas law, as a general matter, an incorporated city or town has the authority to "do whatever is necessary to correct" a condition on property within the city or town that violates a local ordinance, after the owner has been given seven days'	Under Arkansas law, as a general matter, an incorporated city or town has the authority to "do whatever is necessary to correct" a condition on property within the city or town that violates a local ordinance, after the owner has been given seven days'	Under Arkansas law, as a general matter, an incorporated city or town has the authority to "do whatever is necessary to correct" a condition on property within the city or town that violates a local ordinance, after the owner has	No applicable statutes or regulations were located.

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>written notice to correct the condition.</p> <p>Ark. Code § 14-54-903(b).</p> <p>Similarly, the city or town has a lien against any property that has upon it a "weed lot"--a previously platted lot that has become vacant and contains rubbish, debris, or high grass--and/or an "unsafe and vacant structure"--a structure located on a previously platted lot that has become vacant and unfit for human habitation or a residential property that is unoccupied, violates a city safety standard, and is located in an area eligible for certain federal funding.</p> <p>Ark. Code § 14-54-903(a)(4), (5), (c)(1).</p> <p>The city or town may perfect the so-called "clean-up lien" as a lien against such property deemed a weed lot or containing an unsafe and vacant structure. The lienholder in such a proceeding by the city or town must notify the city or town whether the property owner is in default under the terms of the mortgage.</p> <p>Ark. Code § 14-54-903(c)(3), (7)(D).</p> <p>After clean-up, the owner will be notified of the amount of the clean-up lien, which is limited to:</p>	<p>written notice to correct the condition.</p> <p>Ark. Code § 14-54-903(b).</p> <p>Similarly, the city or town has a lien against any property that has upon it an "unsafe and vacant structure"--i.e., a structure located on a previously platted lot that has become vacant and unfit for human habitation or a residential property that is unoccupied, violates a city safety standard, and is located in an area eligible for certain federal funding.</p> <p>Ark. Code § 14-54-903(a)(4), (c)(1).</p> <p>The city or town may perfect the so-called "clean-up lien" as a lien against such property containing an unsafe and vacant structure. The lienholder in such a proceeding by the city or town must notify the city or town whether the property owner is in default under the terms of the mortgage.</p> <p>Ark. Code § 14-54-903(c)(3), (7)(D).</p> <p>After clean-up, the owner will be notified of the amount of the clean-up lien, which is limited to:</p> <ul style="list-style-type: none"> • no more than \$5,000 to board up and secure the property; and 	<p>been given seven days' written notice to correct the condition.</p> <p>Ark. Code § 14-54-903(b).</p> <p>Similarly, the city or town has a lien against any property that has upon it an "unsafe and vacant structure"--i.e., a structure located on a previously platted lot that has become vacant and unfit for human habitation or a residential property that is unoccupied, violates a city safety standard, and is located in an area eligible for certain federal funding.</p> <p>Ark. Code § 14-54-903(a)(4), (c)(1).</p> <p>The city or town may perfect the so-called "clean-up lien" as a lien against such property containing an unsafe and vacant structure. The lienholder in such a proceeding by the city or town must notify the city or town whether the property owner is in default under the terms of the mortgage.</p> <p>Ark. Code § 14-54-903(c)(3), (7)(D).</p> <p>After clean-up, the owner will be notified of the amount of the clean-</p>	

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<ul style="list-style-type: none"> no more than \$1,000 for weed or grass cutting; no more than \$5,000 to board up and secure the property; and no more than \$7,500 to demolish any structure or structures on the property. <p>Additionally, the city or town may charge administrative costs.</p> <p>Ark. Code § 14-54-903(e)(1)(A), (j)(2)(A), (B), (C).</p> <p>Such a clean-up lien may be enforced, <i>inter alia</i>, by a foreclosure action.</p> <p>Ark. Code § 14-54-904(a)(1).</p> <p>In a mortgage foreclosure proceeding, the court may appoint a receiver if it appears that the mortgaged property is in danger of being materially injured, or that the property will be insufficient to discharge the mortgage debt and the mortgage conditions have not been performed.</p> <p>Ark. Code § 16-117-208.</p>	<ul style="list-style-type: none"> no more than \$7,500 to demolish any structure or structures on the property. <p>Additionally, the city or town may charge administrative costs.</p> <p>Ark. Code § 14-54-903(e)(1)(A), (j)(2)(A), (B), (C).</p> <p>Such a clean-up lien may be enforced, <i>inter alia</i>, by a foreclosure action.</p> <p>Ark. Code § 14-54-904(a)(1).</p> <p>In a mortgage foreclosure proceeding, the court may appoint a receiver if it appears that the mortgaged property is in danger of being materially injured, or that the property will be insufficient to discharge the mortgage debt and the mortgage conditions have not been performed.</p> <p>Ark. Code § 16-117-208.</p>	<p>up lien, which is limited to:</p> <ul style="list-style-type: none"> no more than \$5,000 to board up and secure the property; and no more than \$7,500 to demolish any structure or structures on the property. <p>Additionally, the city or town may charge administrative costs.</p> <p>Ark. Code § 14-54-903(e)(1)(A), (j)(2)(A), (B), (C).</p> <p>Such a clean-up lien may be enforced, <i>inter alia</i>, by a foreclosure action.</p> <p>Ark. Code § 14-54-904(a)(1).</p> <p>In a mortgage foreclosure proceeding, the court may appoint a receiver if it appears that the mortgaged property is in danger of being materially injured, or that the property will be insufficient to discharge the mortgage debt and the mortgage conditions have not been performed.</p> <p>Ark. Code § 16-117-208.</p>	
California	As a general matter, California law provides that "[n]o person whose	As a general matter, California law provides that "[n]o person whose	As a general matter, California law provides that "[n]o person whose	California law requires the lender during

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>interest is subject to the lien of a mortgage may do any act which will substantially impair the mortgagee's security."</p> <p>Cal. Civ. Code § 2929.</p> <p>Specifically, legal owners of property in California must "maintain vacant residential property purchased by that owner at a foreclosure sale, or acquired by that owner through foreclosure under a mortgage or deed of trust." One who fails to so maintain the property is subject to a civil fine of up to \$1,000 per day. The legal owner usually has 30 days to remedy such a violation.</p> <p>Cal. Civ. Code § 2929.3(a)(1).</p> <p>"Failure to maintain" vacant property means failure to take care of the property's exterior, or otherwise allowing a public nuisance, including, <i>inter alia</i>, allowing "excessive foliage growth that diminishes the value of surrounding properties"; failure to prevent trespassers or squatters; and failure to prevent mosquito larvae from growing in standing water.</p> <p>Cal. Civ. Code § 2929.3(b).</p> <p>Before imposing a fine or penalty for failure to maintain a vacant property that is subject to a notice of default,</p>	<p>interest is subject to the lien of a mortgage may do any act which will substantially impair the mortgagee's security."</p> <p>Cal. Civ. Code § 2929.</p> <p>California law gives a secured lender-- "the beneficiary under a deed of trust against the real property security, or the mortgagee under a mortgage against the real property security"--the right to enter and inspect the real property security after commencement of foreclosure proceedings in order to determine the existence and magnitude of a hazardous substance release.</p> <p>Cal. Civ. Code § 2929.5(a), (e)(5).</p> <p>A financial institution also has the authority to undertake to repair a property acquired through foreclosure.</p> <p>Cal. Civ. Code § 2932.6(a).</p> <p>The assignee pursuant to a written assignment of a real property interest who enforces the assignment is subject to written demand upon the assignee to pay reasonable costs of preserving and protecting the property, including complying with any applicable building codes.</p>	<p>interest is subject to the lien of a mortgage may do any act which will substantially impair the mortgagee's security."</p> <p>Cal. Civ. Code § 2929.</p> <p>Specifically, legal owners of property in California must "maintain vacant residential property purchased by that owner at a foreclosure sale, or acquired by that owner through foreclosure under a mortgage or deed of trust." One who fails to so maintain the property is subject to a civil fine of up to \$1,000 per day. The legal owner usually has 30 days to remedy such a violation.</p> <p>Cal. Civ. Code § 2929.3(a)(1).</p> <p>"Failure to maintain" vacant property means, <i>inter alia</i>, failure to take care of the property's exterior, or otherwise allowing a public nuisance.</p> <p>Cal. Civ. Code § 2929.3(b).</p> <p>Before imposing a fine or penalty for failure to maintain a vacant property that is subject to a notice of default, purchased at a foreclosure sale, or acquired through foreclosure under a mortgage or deed of trust, a</p>	<p>foreclosure to notify the owner and mortgagor of continuing insurance obligations during foreclosure. A notice of default on a deed of trust or mortgage on real property must contain the printed or typed statement that includes the following:</p> <p>While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to . . . provide insurance on the property, . . . the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all . . . hazard insurance</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>purchased at a foreclosure sale, or acquired through foreclosure under a mortgage or deed of trust, a governmental entity must provide the property's owner with a notice of and an opportunity to correct a violation. However, this notice requirement does not apply if the governmental entity determines that a specific property condition threatens public health or safety.</p> <p>Cal. Civ. Code § 2929.4.</p> <p>Also, an assessment or lien to recover a governmental entity's costs to abate a nuisance may not exceed the abatement's actual and reasonable costs.</p> <p>Cal. Civ. Code § 2929.45</p> <p>Additionally, California law gives a secured lender--"the beneficiary under a deed of trust against the real property security, or the mortgagee under a mortgage against the real property security"--the right to enter and inspect the real property security after commencement of foreclosure proceedings in order to determine the existence and magnitude of a hazardous substance release.</p> <p>Cal. Civ. Code § 2929.5(a), (e)(5).</p> <p>A financial institution also has the authority to undertake to repair a</p>	<p>Cal. Civ. Code § 2938(g)(1), (2).</p>	<p>governmental entity must provide the property's owner with a notice of and an opportunity to correct a violation. However, this notice requirement does not apply if the governmental entity determines that a specific property condition threatens public health or safety.</p> <p>Cal. Civ. Code § 2929.4.</p> <p>Also, an assessment or lien to recover a governmental entity's costs to abate a nuisance may not exceed the abatement's actual and reasonable costs.</p> <p>Cal. Civ. Code § 2929.45</p> <p>Additionally, California law gives a secured lender--"the beneficiary under a deed of trust against the real property security, or the mortgagee under a mortgage against the real property security"--the right to enter and inspect the real property security after commencement of foreclosure proceedings in order to determine the existence and magnitude of a hazardous substance release.</p> <p>Cal. Civ. Code § 2929.5(a), (e)(5).</p> <p>A financial institution also has the authority to undertake to repair a property acquired through</p>	<p>premiums.</p> <p>Cal. Civ. Code § 2924c(b)(1).</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>property acquired through foreclosure.</p> <p>Cal. Civ. Code § 2932.6(a).</p> <p>The assignee pursuant to a written assignment of a real property interest who enforces the assignment is subject to written demand upon the assignee to pay reasonable costs of preserving and protecting the property, including complying with any applicable building codes.</p> <p>Cal. Civ. Code § 2938(g)(1), (2).</p>		<p>foreclosure.</p> <p>Cal. Civ. Code § 2932.6(a).</p> <p>The assignee pursuant to a written assignment of an interest in real property who enforces the assignment is subject to written demand upon the assignee to pay reasonable costs of preserving and protecting the property, including complying with any applicable building codes.</p> <p>Cal. Civ. Code § 2938(g)(1), (2)</p>	

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
Colorado	<p>No statutes or regulations were located in which external property maintenance responsibility during a foreclosure is allocated.</p> <p>However, Colorado law provides that all fees and costs incurred in a foreclosure are chargeable as amounts owing under the deed of trust or lien being foreclosed, including reasonable costs of defending, securing, protecting, maintaining, and repairing the property. Such amounts will be deducted from the sale proceeds or, to the extent of an inadequacy, paid by the holder of the evidence of the debt.</p> <p>Colo. Rev. Stat. § 38-38-107(1), (3)(B)(VI).</p>	<p>No statutes or regulations were located in which foundation maintenance responsibility during a foreclosure is allocated.</p> <p>However, Colorado law provides that all fees and costs incurred in a foreclosure are chargeable as amounts owing under the deed of trust or lien being foreclosed, including reasonable costs of defending, securing, protecting, maintaining, and repairing the property. Such amounts will be deducted from the sale proceeds or, to the extent of an inadequacy, paid by the holder of the evidence of the debt.</p> <p>Colo. Rev. Stat. § 38-38-107(1), (3)(B)(VI).</p>	<p>No statutes or regulations were located in which structural maintenance responsibility during a foreclosure is allocated.</p> <p>However, Colorado law provides that all fees and costs incurred in a foreclosure are chargeable as amounts owing under the deed of trust or lien being foreclosed, including reasonable costs of defending, securing, protecting, maintaining, and repairing the property. Such amounts will be deducted from the sale proceeds or, to the extent of an inadequacy, paid by the holder of the evidence of the debt.</p> <p>Colo. Rev. Stat. § 38-38-107(1), (3)(B)(VI).</p>	<p>No statutes or regulations were located in which insurance maintenance responsibility during a foreclosure is allocated.</p> <p>However, Colorado law provides that all fees and costs incurred in a foreclosure are chargeable as amounts owing under the deed of trust or lien being foreclosed, including premiums on property, general liability, or casualty insurance that was acquired to protect the holder's interest in the property.</p> <p>Colo. Rev. Stat. § 38-38-107(1), (3)(B)(III).</p>
Connecticut	<p>No specifically applicable statutes or regulations were located.</p> <p>However, the Connecticut Legislature passed an Act Concerning Neighborhood Protection, effective October 1, 2009. As amended in 2011, the Act requires any person who brings an action to foreclose a mortgage on</p>	<p>No specifically applicable statutes or regulations were located.</p> <p>However, the Connecticut Legislature passed an Act Concerning Neighborhood Protection, effective October 1, 2009. As amended in 2011, the Act requires any person who brings an action to foreclose a</p>	<p>No specifically applicable statutes or regulations were located.</p> <p>However, the Connecticut Legislature passed an Act Concerning Neighborhood Protection, effective October 1, 2009. As amended in 2011, the Act requires any person who</p>	<p>No applicable statutes or regulations were located.</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>residential property and any person in whom in whom title to residential property vests through a foreclosure action to register the property locally. Registrants who fail to comply with any provision of the Connecticut General Statutes or a local ordinance concerning repair or maintenance of real property are subject to various enforcement mechanisms. However, Connecticut's statutes explicitly provide that "[n]either the registration by a foreclosing party nor the failure to register . . . shall imply or create any legal obligations on the part of the foreclosing party to repair, maintain or secure the residential property for which a registration is required prior to the time that title passes to the foreclosing party."</p> <p>Conn. Gen. Stat. § 7-148ii.</p> <p>Municipalities are authorized to issue a special assessment on housing that is blighted, and any unpaid special assessment will constitute a lien upon the real property. That ordinance may authorize a municipality to designate an agent who has the right to enter property during reasonable hours to remediate blighted conditions, provided the agent may not enter a dwelling house or other structure.</p> <p>Conn. Gen. Stat. § 7-148ff.</p> <p>Additionally, municipalities are required</p>	<p>mortgage on residential property and any person in whom in whom title to residential property vests through a foreclosure action to register the property locally. Registrants who fail to comply with any provision of the Connecticut General Statutes or a local ordinance concerning repair or maintenance of real property are subject to various enforcement mechanisms. However, Connecticut's statutes explicitly provide that "[n]either the registration by a foreclosing party nor the failure to register . . . shall imply or create any legal obligations on the part of the foreclosing party to repair, maintain or secure the residential property for which a registration is required prior to the time that title passes to the foreclosing party."</p> <p>Conn. Gen. Stat. § 7-148ii.</p> <p>Municipalities are authorized to issue a special assessment on housing that is blighted, and any unpaid special assessment will constitute a lien upon the real property. That ordinance may authorize a municipality to designate an agent who has the right to enter property during reasonable hours to remediate blighted conditions, provided the agent may not enter a dwelling house or other structure.</p> <p>Conn. Gen. Stat. § 7-148ff.</p>	<p>brings an action to foreclose a mortgage on residential property and any person in whom in whom title to residential property vests through a foreclosure action to register the property locally. Registrants who fail to comply with any provision of the Connecticut General Statutes or a local ordinance concerning repair or maintenance of real property are subject to various enforcement mechanisms. However, Connecticut's statutes explicitly provide that "[n]either the registration by a foreclosing party nor the failure to register . . . shall imply or create any legal obligations on the part of the foreclosing party to repair, maintain or secure the residential property for which a registration is required prior to the time that title passes to the foreclosing party."</p> <p>Conn. Gen. Stat. § 7-148ii.</p> <p>Municipalities are authorized to issue a special assessment on housing that is blighted, and any unpaid special assessment will constitute a lien upon the real property. That ordinance may authorize a municipality to designate an agent who has the right to enter property during reasonable hours to remediate blighted conditions, provided the agent may not enter a dwelling</p>	

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>to examine any "nuisances and sources of filth injurious to the public health," and to abate or remediate the same or to order the owner or the occupant of property with a nuisance or filth to remove, abate, or remediate the condition. Municipal health directors have additional authority to institute injunctive actions. Abatement, remediation, or removal of a nuisance or filth is at the owner's or occupant's expense. Owners and/or occupants who fail to abate or remediate a nuisance or to remove such filth are subject to a civil penalty of \$250 per day. Municipalities that incur expenses for inspection, repair, maintenance, demolition, or removal in order to remedy a blighted condition or make property safe and sanitary may recover such expenses from the property owner.</p> <p>Conn. Gen. Stat. § 19a-206.</p> <p>Municipalities may not adopt a property maintenance ordinance "that applies only to the property maintenance activities of a person who holds a mortgage on or title to real property . . . obtained by foreclosure." However, a municipality may enact or enforce an ordinance that applies to all real property owners within the municipality, without regard to how the owner acquired title.</p>	<p>Additionally, municipalities are required to examine any "nuisances and sources of filth injurious to the public health," and to abate or remediate the same or to order the owner or the occupant of property with a nuisance or filth to remove, abate, or remediate the condition. Municipal health directors have additional authority to institute injunctive actions. Abatement, remediation, or removal of a nuisance or filth is at the owner's or occupant's expense. Owners and/or occupants who fail to abate or remediate a nuisance or to remove such filth are subject to a civil penalty of \$250 per day. Municipalities that incur expenses for inspection, repair, maintenance, demolition, or removal in order to remedy a blighted condition or make property safe and sanitary may recover such expenses from the property owner.</p> <p>Conn. Gen. Stat. § 19a-206.</p> <p>Municipalities may not adopt a property maintenance ordinance "that applies only to the property maintenance activities of a person who holds a mortgage on or title to real property . . . obtained by foreclosure." However, a municipality may enact or enforce an ordinance that applies to all real property owners within the municipality, without regard to how the owner acquired title.</p>	<p>house or other structure.</p> <p>Conn. Gen. Stat. § 7-148ff.</p> <p>Additionally, municipalities are required to examine any "nuisances and sources of filth injurious to the public health," and to abate or remediate the same or to order the owner or the occupant of property with a nuisance or filth to remove, abate, or remediate the condition. Municipal health directors have additional authority to institute injunctive actions. Abatement, remediation, or removal of a nuisance or filth is at the owner's or occupant's expense. Owners and/or occupants who fail to abate or remediate a nuisance or to remove such filth are subject to a civil penalty of \$250 per day. Municipalities that incur expenses for inspection, repair, maintenance, demolition, or removal in order to remedy a blighted condition or make property safe and sanitary may recover such expenses from the property owner.</p> <p>Conn. Gen. Stat. § 19a-206.</p> <p>Municipalities may not adopt a property maintenance ordinance "that applies only to the property maintenance activities of a person</p>	

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	Conn. Gen. Stat. § 7-148jj.	Conn. Gen. Stat. § 7-148jj.	who holds a mortgage on or title to real property . . . obtained by foreclosure." However, a municipality may enact or enforce an ordinance that applies to all real property owners within the municipality, without regard to how the owner acquired title. Conn. Gen. Stat. § 7-148jj.	
Delaware	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
District of Columbia	No applicable statutes or regulations were located. However, as a general matter, the District of Columbia requires the owners of a vacant building to register the building with the Mayor of the District of Columbia, to pay a registration fee, and to maintain the building in compliance with the law. D.C. Code. §§ 42-3131.06, -3131.12.	No applicable statutes or regulations were located. However, as a general matter, the District of Columbia requires the owners of a vacant building to register the building with the Mayor of the District of Columbia, to pay a registration fee, and to maintain the building in compliance with the law. D.C. Code. §§ 42-3131.06, -3131.12.	No applicable statutes or regulations were located. However, as a general matter, the District of Columbia requires the owners of a vacant building to register the building with the Mayor of the District of Columbia, to pay a registration fee, and to maintain the building in compliance with the law. D.C. Code. §§ 42-3131.06, -3131.12.	No applicable statutes or regulations were located.
Florida	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Georgia	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
Guam	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Hawaii	<p>The borrower of down-payment monies from the Hawaii Housing Finance and Development Corporation used to purchase a property pursuant to foreclosure must maintain any improvements to the property in good repair.</p> <p>Hawaii Rev. Stat. § 201H-163.</p>	<p>The borrower of down-payment monies from the Hawaii Housing Finance and Development Corporation used to purchase a property pursuant to foreclosure must maintain any improvements to the property in good repair.</p> <p>Hawaii Rev. Stat. § 201H-163.</p>	<p>The borrower of down-payment monies from the Hawaii Housing Finance and Development Corporation used to purchase a property pursuant to foreclosure must maintain any improvements to the property in good repair.</p> <p>Hawaii Rev. Stat. § 201H-163.</p>	<p>The borrower of down-payment monies from the Hawaii Housing Finance and Development Corporation used to purchase a property pursuant to foreclosure must maintain fire and casualty insurance in amounts equal to the replacement value of the property and improvements. The proceeds of the insurance must be payable to the first mortgage lender and the Corporation as to their respective interests at the time of the damage or loss.</p> <p>Hawaii Rev. Stat. § 201H-163.</p>
Idaho	<p>No statutes or regulations were located in which external property maintenance responsibility during a foreclosure is allocated.</p> <p>However, Idaho law provides that when</p>	<p>No statutes or regulations were located in which foundation maintenance responsibility during a foreclosure is allocated.</p> <p>However, Idaho law provides that</p>	<p>No statutes or regulations were located in which structural maintenance responsibility during a foreclosure is allocated.</p> <p>However, Idaho law provides that</p>	<p>No statutes or regulations were located in which insurance maintenance responsibility during a foreclosure is</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>a beneficiary's interest in certain real property becomes "substantially valueless" through no fault of the beneficiary as determined by a court, the beneficiary may bring an action to enforce an obligation owed by the grantor at the same time the beneficiary brings an alternative claim for foreclosure.</p> <p>Idaho Code § 45-1503.</p>	<p>when a beneficiary's interest in certain real property becomes "substantially valueless" through no fault of the beneficiary as determined by a court, the beneficiary may bring an action to enforce an obligation owed by the grantor at the same time the beneficiary brings an alternative claim for foreclosure.</p> <p>Idaho Code § 45-1503.</p>	<p>when a beneficiary's interest in certain real property becomes "substantially valueless" through no fault of the beneficiary as determined by a court, the beneficiary may bring an action to enforce an obligation owed by the grantor at the same time the beneficiary brings an alternative claim for foreclosure.</p> <p>Idaho Code § 45-1503.</p>	<p>allocated.</p>
<p>Illinois</p>	<p>During foreclosure proceedings the court may, upon a showing of good cause, appoint a receiver to operate, conserve, and manage the mortgaged real property. The receiver must maintain the property in at least as good condition as existed when the receiver took possession, and may make repairs and improvements.</p> <p>735 Ill. Comp. Stat. 5/15-1704.</p> <p>A township may provide for cutting grass or weeds, trimming trees or bushes, removing bushes or trees that constitute a nuisance, and maintaining a pond on real property, including property in foreclosure. The cost of such maintenance is a lien on the property.</p> <p>60 Ill. Comp. Stat. 1/105-15.</p> <p>The proceeds resulting from a foreclosure sale are applied, after</p>	<p>During foreclosure proceedings the court may, upon a showing of good cause, appoint a receiver to operate, conserve, and manage the mortgaged real property. The receiver must maintain the property in at least as good condition as existed when the receiver took possession, and may make repairs and improvements.</p> <p>735 Ill. Comp. Stat. 5/15-1704.</p> <p>The proceeds resulting from a foreclosure sale are applied, after reasonable sale expenses, to "the reasonable expenses of securing possession before sale, holding, maintaining, and preparing the real estate for sale."</p> <p>735 Ill. Comp. Stat. 5/15-1512.</p> <p>Generally, upon motion and notice, a mortgagee may use an expedited</p>	<p>During foreclosure proceedings the court may, upon a showing of good cause, appoint a receiver to operate, conserve, and manage the mortgaged real property. The receiver must maintain the property in at least as good condition as existed when the receiver took possession, and may make repairs and improvements.</p> <p>735 Ill. Comp. Stat. 5/15-1704.</p> <p>The proceeds resulting from a foreclosure sale are applied, after reasonable sale expenses, to "the reasonable expenses of securing possession before sale, holding, maintaining, and preparing the real estate for sale."</p> <p>735 Ill. Comp. Stat. 5/15-1512.</p> <p>Generally, upon motion and notice,</p>	<p>During foreclosure proceedings the court may, upon a showing of good cause, appoint a receiver to operate, conserve, and manage the mortgaged real property. The receiver must insure the mortgaged real property against fire or casualty loss, and may carry such additional casualty and liability insurance as is reasonably necessary.</p> <p>735 Ill. Comp. Stat. 5/15-1704.</p> <p>The proceeds resulting from a foreclosure sale are</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>reasonable sale expenses, to "the reasonable expenses of securing possession before sale, holding, maintaining, and preparing the real estate for sale."</p> <p>735 Ill. Comp. Stat. 5/15-1512.</p> <p>Generally, upon motion and notice, a mortgagee may use an expedited judgment and sale procedure for abandoned residential property. In that case, the mortgagee may "enter, secure, and maintain abandoned residential property."</p> <p>735 Ill. Comp. Stat. 5/15-1505.8(j).</p>	<p>judgment and sale procedure for abandoned residential property. In that case, the mortgagee may "enter, secure, and maintain abandoned residential property."</p> <p>735 Ill. Comp. Stat. 5/15-1505.8(j).</p>	<p>a mortgagee may use an expedited judgment and sale procedure for abandoned residential property. In that case, the mortgagee may "enter, secure, and maintain abandoned residential property."</p> <p>735 Ill. Comp. Stat. 5/15-1505.8(j).</p>	<p>applied, after reasonable sale expenses, to "the reasonable expenses of securing possession before sale, holding, maintaining, and preparing the real estate for sale," including premiums on hazard and liability insurance.</p> <p>735 Ill. Comp. Stat. 5/15-1512.</p>
Indiana	<p>The court may appoint a receiver of mortgaged property during foreclosure proceedings. The receiver will take possession and, among other things, ensure repairs.</p> <p>Ind. Code § 32-29-7-11(a).</p> <p>If the record owner occupies mortgaged property as a dwelling during foreclosure proceedings, the owner will be permitted to remain in possession until the foreclosure sale as long as the owner complies with certain requirements, including committing no waste or other damage to the property.</p> <p>Ind. Code § 32-29-7-11(b).</p> <p>Indiana law gives certain persons who</p>	<p>The court may appoint a receiver of mortgaged property during foreclosure proceedings. The receiver will take possession and, among other things, ensure repairs.</p> <p>Ind. Code § 32-29-7-11(a).</p> <p>If the record owner occupies mortgaged property as a dwelling during foreclosure proceedings, the owner will be permitted to remain in possession until the foreclosure sale as long as the owner complies with certain requirements, including committing no waste or other damage to the property.</p> <p>Ind. Code § 32-29-7-11(b).</p>	<p>The court may appoint a receiver of mortgaged property during foreclosure proceedings. The receiver will take possession and, among other things, ensure repairs.</p> <p>Ind. Code § 32-29-7-11(a).</p> <p>If the record owner occupies mortgaged property as a dwelling during foreclosure proceedings, the owner will be permitted to remain in possession until the foreclosure sale as long as the owner complies with certain requirements, including committing no waste or other damage to the property.</p>	<p>The court may appoint a receiver of mortgaged property during foreclosure proceedings. The receiver will take possession and, among other things, pay insurance premiums.</p> <p>Ind. Code § 32-29-7-11(a).</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>are not a real property's owner, including a creditor, the right, but not the obligation, to perform specified maintenance on vacant or abandoned property. Generally, a person who suspects that the property may be vacant or abandoned, may enter the real property for the following reasons:</p> <ul style="list-style-type: none"> • without entering any structure, to inspect the real property visually to determine whether it may be vacant or abandoned; • to secure the real property; • to remove trash or debris from the grounds; • to landscape, maintain, or mow the grounds; or • to remove or paint over graffiti. <p>If the real property is subject to a mortgage, a creditor may not enter the property if an automatic stay issued by a bankruptcy court bars entry.</p> <p>Ind. Code § 34-30-26-5.</p>		<p>Ind. Code § 32-29-7-11(b).</p>	
Iowa	<p>No applicable statutes or regulations were located.</p> <p>However, in an alternative nonjudicial voluntary foreclosure procedure, the</p>	<p>No applicable statutes or regulations were located.</p> <p>However, in an alternative nonjudicial voluntary foreclosure procedure, the</p>	<p>No applicable statutes or regulations were located.</p> <p>However, in an alternative nonjudicial voluntary foreclosure</p>	<p>Iowa law provides that in an action for a mortgage foreclosure, if the court grants a continuance or moratorium, the court</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>mortgagee has immediate access to the real property to maintain and protect it.</p> <p>Iowa Code § 654.18(1)(c).</p>	<p>mortgagee has immediate access to the real property to maintain and protect it.</p> <p>Iowa Code § 654.18(1)(c).</p>	<p>procedure, the mortgagee has immediate access to the real property to maintain and protect it.</p> <p>Iowa Code § 654.18(1)(c).</p>	<p>must provide for appointment of a receiver during the pendency of the proceedings. The receiver will be responsible, <i>inter alia</i>, for paying property insurance on any buildings on the property and liability insurance.</p> <p>Iowa Code §§ 654.14, .15.</p>
Kansas	<p>No applicable statutes or regulations were located.</p>	<p>No applicable statutes or regulations were located.</p>	<p>No applicable statutes or regulations were located.</p>	<p>No applicable statutes or regulations were located.</p>
Kentucky	<p>No applicable statutes or regulations were located.</p> <p>However, upon default, a mortgagee may take possession of abandoned mortgaged property in order to preserve and maintain the property. Any reasonable expenses are added to the principal.</p> <p>Ky. Rev. Stat. § 426.525</p>	<p>No applicable statutes or regulations were located.</p> <p>However, upon default, a mortgagee may take possession of abandoned mortgaged property in order to preserve and maintain the property. Any reasonable expenses are added to the principal.</p> <p>Ky. Rev. Stat. § 426.525</p>	<p>No applicable statutes or regulations were located.</p> <p>However, upon default, a mortgagee may take possession of abandoned mortgaged property in order to preserve and maintain the property. Any reasonable expenses are added to the principal.</p> <p>Ky. Rev. Stat. § 426.525</p>	<p>No applicable statutes or regulations were located.</p> <p>However, upon default, a mortgagee may take possession of abandoned mortgaged property in order to preserve and maintain the property. Any reasonable expenses, including taxes and insurance, are added to the principal.</p> <p>Ky. Rev. Stat. §</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
				426.525
Louisiana	<p>Louisiana law provides that if a mortgagee or loan servicer receives notice from a governing authority identifying maintenance that is required on mortgaged property, the mortgagee or loan servicer has the right to enter the property, either directly or through third parties, to perform the maintenance. Also, if any mortgaged abandoned residential property is unoccupied or abandoned, the mortgagee and loan servicer each have the legal right, directly or through third parties, "to enter onto the property and to perform maintenance to protect and preserve the property until it can be sold at private sale or sheriff's sale."</p> <p>Costs and expenses the mortgagee and loan servicer incur for maintaining the property may be added to the loan balance secured by the mortgage and are recoverable from the property's sale proceeds.</p> <p>La. Rev. Stat. § 9:5396.</p> <p>In this context, the following definitions apply:</p> <ul style="list-style-type: none"> "abandoned residential property" means a one- to four-family residential property "that is vacant as the result of the relinquishment of physical possession or control by a homeowner or any other 	<p>Louisiana law provides that if a mortgagee or loan servicer receives notice from a governing authority identifying maintenance that is required on mortgaged property, the mortgagee or loan servicer has the right to enter the property, either directly or through third parties, to perform the maintenance. Also, if any mortgaged abandoned residential property is unoccupied or abandoned, the mortgagee and loan servicer each have the legal right, directly or through third parties, "to enter onto the property and to perform maintenance to protect and preserve the property until it can be sold at private sale or sheriff's sale."</p> <p>Costs and expenses the mortgagee and loan servicer incur for maintaining the property may be added to the loan balance secured by the mortgage and are recoverable from the property's sale proceeds.</p> <p>La. Rev. Stat. § 9:5396.</p> <p>In this context, the following definitions apply:</p> <ul style="list-style-type: none"> "abandoned residential property" means a one- to four-family residential property "that is vacant as the result of the relinquishment of physical 	<p>Louisiana law provides that if a mortgagee or loan servicer receives notice from a governing authority identifying maintenance that is required on mortgaged property, the mortgagee or loan servicer has the right to enter the property, either directly or through third parties, to perform the maintenance. Also, if any mortgaged abandoned residential property is unoccupied or abandoned, the mortgagee and loan servicer each have the legal right, directly or through third parties, "to enter onto the property and to perform maintenance to protect and preserve the property until it can be sold at private sale or sheriff's sale."</p> <p>Costs and expenses the mortgagee and loan servicer incur for maintaining the property may be added to the loan balance secured by the mortgage and are recoverable from the property's sale proceeds.</p> <p>La. Rev. Stat. § 9:5396.</p> <p>In this context, the following definitions apply:</p> <ul style="list-style-type: none"> "abandoned residential property" means a one- to four-family residential 	<p>No applicable statutes or regulations were located.</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>person or entity";</p> <ul style="list-style-type: none"> "maintenance" means, but is not limited to, "repairing or replacing exterior doors, repairing or replacing soffit, fascia, shutters, and siding, repairing or replacing fences, and maintaining or covering swimming pools and hot tubs"; and "owner" is "any person with care, custody, or control of the property at issue, including but not limited to record owners, seizing creditors, mortgage holders, lien holders, loan servicers of foreclosed property pending title transfer, or an agent or assignee of the seizing creditor, mortgage holders, lien holders, or loan servicer." <p>La. Rev. Stat. § 33:5066.</p>	<p>possession or control by a homeowner or any other person or entity";</p> <ul style="list-style-type: none"> "maintenance" means, <i>but is not limited to</i>, "repairing or replacing exterior doors, repairing or replacing soffit, fascia, shutters, and siding, repairing or replacing fences, and maintaining or covering swimming pools and hot tubs"; and "owner" is "any person with care, custody, or control of the property at issue, including but not limited to record owners, seizing creditors, mortgage holders, lien holders, loan servicers of foreclosed property pending title transfer, or an agent or assignee of the seizing creditor, mortgage holders, lien holders, or loan servicer." <p>La. Rev. Stat. § 33:5066.</p>	<p>property "that is vacant as the result of the relinquishment of physical possession or control by a homeowner or any other person or entity";</p> <ul style="list-style-type: none"> "maintenance" means, <i>but is not limited to</i>, "repairing or replacing exterior doors, repairing or replacing soffit, fascia, shutters, and siding, repairing or replacing fences, and maintaining or covering swimming pools and hot tubs"; and "owner" is "any person with care, custody, or control of the property at issue, including but not limited to record owners, seizing creditors, mortgage holders, lien holders, loan servicers of foreclosed property pending title transfer, or an agent or assignee of the seizing creditor, mortgage holders, lien holders, or loan servicer." <p>La. Rev. Stat. § 33:5066.</p>	
Maine	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located. However, Maine's statutory	No applicable statutes or regulations were located.

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
			<p>provisions regarding residential real estate preservation services may apply to maintaining a building's structural integrity during foreclosure in some circumstances. A residential real estate property preservation provider may enter a dwelling only if authorized by the terms of a note, contract, or mortgage. The provider may not use force or cause a breach of the peace and must meet other statutory requirements.</p> <p>Me. Rev. Stat. tit. 32, § 11017(4).</p> <p>In this context, "residential real estate property preservation services" are services "undertaken at the direction of a person holding or enforcing" a residential real estate mortgage that is in default or in which the property is presumed abandoned, by entering or arranging for entry into the subject building to winterize the residence, to change the door locks, or to remove unsecured items from the residence. A "residential real estate property preservation provider" means "a person who regularly provides residential real estate property preservation services." It does not include a supervised financial organization, a supervised lender, or a person licensed by the Plumbers' Examining Board, the</p>	

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
			<p>Electricians' Examining Board, the Department of Professional and Financial Regulation, the Maine Fuel Board, or the Real Estate Commission.</p> <p>Me. Rev. Stat. tit. 32, § 11002.</p>	
<p>Maryland</p>	<p>No statutes or regulations were located in which external property maintenance responsibility during a foreclosure is allocated.</p> <p>However, as a general matter under Maryland law, a mortgagor or other person in possession of land who commits waste is liable for damages. One who commits waste after an injunction to stay waste is liable for a fine of up to double the amount of damages to the property.</p> <p>Md. Code, Real Prop. § 14-102.</p> <p>According to Maryland Rules, the purchaser of a real property interest in a foreclosure action may be entitled to immediate possession, even if the full purchase price has not been paid and the deed has not been transferred, if there is a legal basis for immediate possession, such as waste. If the person in actual possession refuses or fails to deliver possession, the purchaser may file a motion for judgment awarding possession.</p>	<p>No statutes or regulations were located in which foundation maintenance responsibility during a foreclosure is allocated.</p> <p>However, as a general matter under Maryland law, a mortgagor or other person in possession of land who commits waste is liable for damages. One who commits waste after an injunction to stay waste is liable for a fine of up to double the amount of damages to the property.</p> <p>Md. Code, Real Prop. § 14-102.</p> <p>According to Maryland Rules, the purchaser of a real property interest in a foreclosure action may be entitled to immediate possession, even if the full purchase price has not been paid and the deed has not been transferred, if there is a legal basis for immediate possession, such as waste. If the person in actual possession refuses or fails to deliver possession, the purchaser may file a motion for judgment awarding possession.</p>	<p>No statutes or regulations were located in which structural maintenance responsibility during a foreclosure is allocated.</p> <p>However, as a general matter under Maryland law, a mortgagor or other person in possession of land who commits waste is liable for damages. One who commits waste after an injunction to stay waste is liable for a fine of up to double the amount of damages to the property.</p> <p>Md. Code, Real Prop. § 14-102.</p> <p>According to Maryland Rules, the purchaser of a real property interest in a foreclosure action may be entitled to immediate possession, even if the full purchase price has not been paid and the deed has not been transferred, if there is a legal basis for immediate possession, such as waste. If the person in actual possession refuses or fails to deliver possession, the purchaser may file a motion for judgment</p>	<p>No applicable statutes or regulations were located.</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>Md. Rule 14-102(a).</p> <p>Within 30 days after a residential property foreclosure sale, the purchaser must submit an initial registration to the Foreclosed Property Registry. That registration must include, among other things, contact information for the person who is responsible for maintaining the property. A local jurisdiction that legally abates a nuisance on or maintains a registered residential property may collect the associated costs as a charge added to the property's property tax bill, provided the local jurisdiction gives prior written notice that complies with statutory requirements.</p> <p>Md. Code, Real Prop. § 14-126.1.</p>	<p>Md. Rule 14-102(a).</p> <p>Within 30 days after a residential property foreclosure sale, the purchaser must submit an initial registration to the Foreclosed Property Registry. That registration must include, among other things, contact information for the person who is responsible for maintaining the property. A local jurisdiction that legally abates a nuisance on or maintains a registered residential property may collect the associated costs as a charge added to the property's property tax bill, provided the local jurisdiction gives prior written notice that complies with statutory requirements.</p> <p>Md. Code, Real Prop. § 14-126.1.</p>	<p>awarding possession.</p> <p>Md. Rule 14-102(a).</p> <p>Within 30 days after a residential property foreclosure sale, the purchaser must submit an initial registration to the Foreclosed Property Registry. That registration must include, among other things, contact information for the person who is responsible for maintaining the property. A local jurisdiction that legally abates a nuisance on or maintains a registered residential property may collect the associated costs as a charge added to the property's property tax bill, provided the local jurisdiction gives prior written notice that complies with statutory requirements.</p> <p>Md. Code, Real Prop. § 14-126.1.</p>	
Massachusetts	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Michigan	<p>If a trustee bids for and acquires mortgaged property at foreclosure, the trustee may repair and maintain the property until a sale or other disposal of the property.</p> <p>Mich. Comp. Laws § 600.3170.</p> <p>During the redemption period following</p>	<p>If a trustee bids for and acquires mortgaged property at foreclosure, the trustee may repair and maintain the property until a sale or other disposal of the property.</p> <p>Mich. Comp. Laws § 600.3170.</p> <p>During the redemption period following</p>	<p>If a trustee bids for and acquires mortgaged property at foreclosure, the trustee may repair and maintain the property until a sale or other disposal of the property.</p> <p>Mich. Comp. Laws § 600.3170.</p> <p>During the redemption period</p>	<p>In a foreclosure proceeding, the court may add to the amount of judgment due the portion of the premium of an insurance policy covering buildings on the property as is required to keep the</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>a foreclosure sale of property, the borrower is liable to the purchaser at the sale (or a mortgagee or other holder of the obligation secured by the mortgage that takes title to the property at the sale) for "any physical injury to the property beyond wear and tear resulting from the normal use of the property if the physical injury is caused by or at the direction of the mortgagor or other person liable on the mortgage."</p> <p>Mich. Comp. Laws § 600.3278(1).</p> <p>The purchaser may conduct "any number of exterior inspections" during the redemption period.</p> <p>Mich. Comp. Laws § 600.3238(3).</p> <p>If the mortgagor unreasonably refuses an inspection or if property damage is imminent or has occurred, the purchaser may immediately bring summary proceedings to possess the property under chapter 57 or file an action for any other relief necessary to protect the property from damage. However, the purchaser may not bring summary proceedings for possession (a) if the damage or condition is repaired or corrected within seven days after notice or (b) if the mortgagor and the purchaser agree on procedures and a timeline to repair the damage or correct the condition and the procedures are completed by the</p>	<p>a foreclosure sale of property, the borrower is liable to the purchaser at the sale (or a mortgagee or other holder of the obligation secured by the mortgage that takes title to the property at the sale) for "any physical injury to the property beyond wear and tear resulting from the normal use of the property if the physical injury is caused by or at the direction of the mortgagor or other person liable on the mortgage."</p> <p>Mich. Comp. Laws § 600.3278(1).</p> <p>The purchaser may conduct "any number of exterior inspections" during the redemption period.</p> <p>Mich. Comp. Laws § 600.3238(3).</p> <p>Michigan allows a purchaser at a foreclosure sale to conduct an interior inspection during the redemption period, provided the purchaser meets specified notice requirements. After a foreclosure sale pursuant to chapter 600, if the purchaser intends to inspect the property's interior during the redemption period, the purchaser must provide an initial written notice to the mortgagor and to the person in possession of the property. The notice must contain the terms required by statute and must be provided by certified mail, physical posting on the property, or another method reasonably calculated to achieve</p>	<p>following a foreclosure sale of property, the borrower is liable to the purchaser at the sale (or a mortgagee or other holder of the obligation secured by the mortgage that takes title to the property at the sale) for "any physical injury to the property beyond wear and tear resulting from the normal use of the property if the physical injury is caused by or at the direction of the mortgagor or other person liable on the mortgage."</p> <p>Mich. Comp. Laws § 600.3278(1).</p> <p>Michigan allows a purchaser at a foreclosure sale to conduct an interior inspection during the redemption period, provided the purchaser meets specified notice requirements. After a foreclosure sale pursuant to chapter 600, if the purchaser intends to inspect the property's interior during the redemption period, the purchaser must provide an initial written notice to the mortgagor and to the person in possession of the property. The notice must contain the terms required by statute and must be provided by certified mail, physical posting on the property, or another method reasonably calculated to achieve actual notice.</p>	<p>insurance policy in force until the redemption period expires.</p> <p>Mich. Comp. Laws § 125.1448j.</p> <p>If, after a foreclosed property's sale pursuant to § 3216, the purchaser pays premiums on an insurance policy covering any buildings located on the property that would have been paid by the mortgagor if the mortgage had not been foreclosed and that are necessary to keep the policy in force until the redemption period expires, the property may be redeemed only upon payment of a sum that includes the amount paid for that insurance. This requirement does not apply unless all of the following are filed with the register of deeds:</p> <ul style="list-style-type: none"> • an affidavit by the purchaser showing

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>agreed date.</p> <p>Mich. Comp. Laws § 600.3238(6).</p> <p>In determining whether to enter judgment for possession, a judge must consider, <i>inter alia</i>, whether the mortgagor has taken appropriate steps to repair the damage or correct the condition and to secure the property from further damage."</p> <p>Mich. Comp. Laws § 600.3238(9).</p> <p>In this context, "damage" includes, but is not limited to:</p> <ul style="list-style-type: none"> • the failure to comply with local ordinances regarding property maintenance or blight prevention; • an exterior condition that presents a "significant risk" to the property's security or of "criminal activity occurring on the property"; • stripped siding; • "deterioration below, or being in imminent danger of deteriorating below, community standards for public safety and sanitation that are established by statute or local ordinance"; or • a condition that would justify 	<p>actual notice.</p> <p>Mich. Comp. Laws § 600.3237.</p> <p>After a foreclosure sale and notice required by § 600.3237, the purchaser may inspect a structure's interior, if the purchaser provides an additional notice to the mortgagor that sets the inspection time at a reasonable time of day and "in coordination with the mortgagor if possible." After the initial interior inspection, the purchaser may request that the mortgagor provide information on or evidence of a structure's interior condition no more than once in a calendar month or more often than three times during any six months during the redemption period, "unless the purchaser has reasonable cause to believe that damage to the property is imminent or has occurred."</p> <p>Mich. Comp. Laws § 600.3238(1), (2), (4).</p> <p>If the mortgagor unreasonably refuses an inspection or if property damage is imminent or has occurred, the purchaser may immediately bring summary proceedings to possess the property under chapter 57 or file an action for any other relief necessary to protect the property from damage. However, the purchaser may not bring summary proceedings for possession (a) if the damage or condition is repaired or corrected within seven</p>	<p>Mich. Comp. Laws § 600.3237.</p> <p>After a foreclosure sale and notice required by § 600.3237, the purchaser may inspect a structure's interior, if the purchaser provides an additional notice to the mortgagor that sets the inspection time at a reasonable time of day and "in coordination with the mortgagor if possible." After the initial interior inspection, the purchaser may request that the mortgagor provide information on or evidence of a structure's interior condition no more than once in a calendar month or more often than three times during any six months during the redemption period, "unless the purchaser has reasonable cause to believe that damage to the property is imminent or has occurred."</p> <p>Mich. Comp. Laws § 600.3238(1), (2), (4).</p> <p>If the mortgagor unreasonably refuses an inspection or if property damage is imminent or has occurred, the purchaser may immediately bring summary proceedings to possess the property under chapter 57 or file an action for any other relief necessary to protect the property from damage. However, the purchaser may not bring summary</p>	<p>the amount paid;</p> <ul style="list-style-type: none"> • a receipt or a copy of the canceled check evidencing the payment; and • an affidavit by an insurance agent stating that the payment was made and what portion of the payment covers the premium for the period before the redemption period expires. <p>Mich. Comp. Laws § 600.3240(4).</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>recovery of the premises pursuant to § 5714(1)(d).</p> <p>Mich. Comp. Laws § 600.3238(11).</p> <p>A government-sponsored enterprise, financial institution, mortgage servicer, or credit union that becomes the owner of property after foreclosure must adhere to all ordinances relating to vacant property or blight violations adopted by a city that has established an administrative hearings bureau.</p> <p>Mich. Comp. Laws § 117.4q(21).</p>	<p>days after notice, or (b) if the mortgagor and the purchaser agree on procedures and a timeline to repair the damage or correct the condition, and the procedures are completed by the agreed date.</p> <p>Mich. Comp. Laws § 600.3238(6).</p> <p>In determining whether to enter judgment for possession, a judge must consider, inter alia, whether the mortgagor has taken appropriate steps to repair the damage or correct the condition and to secure the property from further damage."</p> <p>Mich. Comp. Laws § 600.3238(9).</p> <p>In this context, "damage" includes, but is not limited to:</p> <ul style="list-style-type: none"> • the failure to comply with local ordinances regarding property maintenance or blight prevention; • "deterioration below, or being in imminent danger of deteriorating below, community standards for public safety and sanitation that are established by statute or local ordinance"; or • a condition that would justify recovery of the premises pursuant to § 	<p>proceedings for possession (a) if the damage or condition is repaired or corrected within seven days after notice, or (b) if the mortgagor and the purchaser agree on procedures and a timeline to repair the damage or correct the condition, and the procedures are completed by the agreed date.</p> <p>Mich. Comp. Laws § 600.3238(6).</p> <p>In determining whether to enter judgment for possession, a judge must consider, inter alia, whether the mortgagor has taken appropriate steps to repair the damage or correct the condition and to secure the property from further damage."</p> <p>Mich. Comp. Laws § 600.3238(9).</p> <p>In this context, "damage" includes, but is not limited to:</p> <ul style="list-style-type: none"> • the failure to comply with local ordinances regarding property maintenance or blight prevention; • missing or destroyed structural aspects or fixtures; • "deterioration below, or being in imminent danger of deteriorating below, community standards for 	

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
		<p>5714(1)(d).</p> <p>Mich. Comp. Laws § 600.3238(11).</p> <p>A government-sponsored enterprise, financial institution, mortgage servicer, or credit union that becomes the owner of property after foreclosure must adhere to all ordinances relating to vacant property or blight violations adopted by a city that has established an administrative hearings bureau.</p> <p>Mich. Comp. Laws § 117.4q(21).</p>	<p>public safety and sanitation that are established by statute or local ordinance"; or</p> <ul style="list-style-type: none"> • a condition that would justify recovery of the premises pursuant to § 5714(1)(d). <p>Mich. Comp. Laws § 600.3238(11).</p>	
Minnesota	<p>A district court may appoint a receiver to take immediate possession of a mortgaged property in foreclosure so that the receiver can hold, maintain, and operate the property. The court may appoint the receiver pursuant to application by the mortgage owner or purchaser at the foreclosure sale, and the application may be part of the foreclosure proceedings or a separate action.</p> <p>Minn. Stat. § 582.05.</p> <p>A court <i>may</i> appoint a limited receiver before judgment to protect a party who demonstrates an apparent right to property that is "in the possession of an adverse party, and . . . the property or its rents and profits are in danger of loss or material impairment."</p>	<p>A district court may appoint a receiver to take immediate possession of a mortgaged property in foreclosure so that the receiver can hold, maintain, and operate the property. The court may appoint the receiver pursuant to application by the mortgage owner or purchaser at the foreclosure sale, and the application may be part of the foreclosure proceedings or a separate action.</p> <p>Minn. Stat. § 582.05.</p> <p>A court <i>may</i> appoint a limited receiver before judgment to protect a party who demonstrates an apparent right to property that is "in the possession of an adverse party, and . . . the property or its rents and profits are in danger of loss or material impairment."</p>	<p>A district court may appoint a receiver to take immediate possession of a mortgaged property in foreclosure so that the receiver can hold, maintain, and operate the property. The court may appoint the receiver pursuant to application by the mortgage owner or purchaser at the foreclosure sale, and the application may be part of the foreclosure proceedings or a separate action.</p> <p>Minn. Stat. § 582.05.</p> <p>A court <i>may</i> appoint a limited receiver before judgment to protect a party who demonstrates an apparent right to property that is "in the possession of an adverse party, and . . . the property or its rents and profits are in danger of</p>	<p>A district court may appoint a receiver to take immediate possession of a mortgaged property in foreclosure in order that the receiver can hold, maintain, and operate the property. The court may appoint the receiver pursuant to application by the mortgage owner or purchaser at the foreclosure sale, and the application may be part of the foreclosure proceedings or a separate action.</p> <p>Minn. Stat. § 582.05.</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>Minn. Stat. § 576.25, subd. 2.</p> <p>A court <i>must</i> appoint a limited receiver at any time after the commencement of mortgage foreclosure proceedings and before the redemption period ends if the mortgage (a) secures an original principal amount of at least \$100,000 or is a lien on residential real estate containing more than four dwelling units and (b) is not a lien on property that was entirely homesteaded, residential real estate containing four or fewer dwelling units where at least one unit is homesteaded, or agricultural property. The foreclosing mortgagee or the purchaser at a foreclosure sale may bring an action for the appointment of a receiver at any time. If the foreclosure is by action, a separate action is not necessary.</p> <p>Minn. Stat. § 576.25, subd. 5(a).</p> <p>In addition, the court <i>must</i> appoint a receiver if the mortgagor has breached a covenant contained in the mortgage related to applying tenant security deposits, paying real estate taxes or special assessments when due, paying insurance premiums when due, or "keeping of the covenants required of a landlord or licensor."</p> <p>Minn. Stat. § 576.25, subd. 5(b).</p> <p>After paying its reasonable fees and</p>	<p>Minn. Stat. § 576.25, subd. 2.</p> <p>A court <i>must</i> appoint a limited receiver at any time after the commencement of mortgage foreclosure proceedings and before the redemption period ends if the mortgage (a) secures an original principal amount of at least \$100,000 or is a lien on residential real estate containing more than four dwelling units and (b) is not a lien on property that was entirely homesteaded, residential real estate containing four or fewer dwelling units where at least one unit is homesteaded, or agricultural property. The foreclosing mortgagee or the purchaser at a foreclosure sale may bring an action for the appointment of a receiver at any time. If the foreclosure is by action, a separate action is not necessary.</p> <p>Minn. Stat. § 576.25, subd. 5(a).</p> <p>In addition, the court <i>must</i> appoint a receiver if the mortgagor has breached a covenant contained in the mortgage related to applying tenant security deposits, paying real estate taxes or special assessments when due, paying insurance premiums when due, or "keeping of the covenants required of a landlord or licensor."</p> <p>Minn. Stat. § 576.25, subd. 5(b).</p>	<p>loss or material impairment."</p> <p>Minn. Stat. § 576.25, subd. 2.</p> <p>A court <i>must</i> appoint a limited receiver at any time after the commencement of mortgage foreclosure proceedings and before the redemption period ends if the mortgage (a) secures an original principal amount of at least \$100,000 or is a lien on residential real estate containing more than four dwelling units and (b) is not a lien on property that was entirely homesteaded, residential real estate containing four or fewer dwelling units where at least one unit is homesteaded, or agricultural property. The foreclosing mortgagee or the purchaser at a foreclosure sale may bring an action for the appointment of a receiver at any time. If the foreclosure is by action, a separate action is not necessary.</p> <p>Minn. Stat. § 576.25, subd. 5(a).</p> <p>In addition, the court <i>must</i> appoint a receiver if the mortgagor has breached a covenant contained in the mortgage related to applying tenant security deposits, paying real estate taxes or special assessments when due, paying insurance premiums when due, or "keeping of the covenants required</p>	<p>A court <i>may</i> appoint a limited receiver before judgment to protect a party who demonstrates an apparent right to property that is "in the possession of an adverse party, and . . . the property or its rents and profits are in danger of loss or material impairment."</p> <p>Minn. Stat. § 576.25, subd. 2.</p> <p>A court <i>must</i> appoint a limited receiver at any time after the commencement of mortgage foreclosure proceedings and before the redemption period ends if the mortgage (a) secures an original principal amount of at least \$100,000 or is a lien on residential real estate containing more than four dwelling units and (b) is not a lien on property that was entirely homesteaded, residential real estate containing four or</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>expenses, the receiver, to the extent possible, must manage the property so as to prevent waste and pay all expenses necessary for the property's normal maintenance.</p> <p>Minn. Stat. § 576.25, subd. 5(c), (d).</p> <p>If property described in a mortgage or a sheriff's certificate is vacant or unoccupied, the mortgage or sheriff's certificate holder may enter the premises to protect them from waste and trespass. If the holder of a sheriff's certificate knows that there is prima facie evidence of abandonment, the holder:</p> <ul style="list-style-type: none"> • must "enter the premises and make reasonable periodic inspections, install or change the locks on all doors, install locks on all windows that do not have locks, and ensure that any existing window locks are functioning properly"; and • may, in order to "protect the premises from waste, trespass, or falling below minimum community standards for public safety and sanitation, enter the premises and board windows, doors, and other openings; install and operate an alarm system; and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or 	<p>After paying its reasonable fees and expenses, the receiver, to the extent possible, must manage the property so as to prevent waste and pay all expenses necessary for the property's normal maintenance.</p> <p>Minn. Stat. § 576.25, subd. 5(c), (d).</p>	<p>of a landlord or licensor."</p> <p>Minn. Stat. § 576.25, subd. 5(b).</p> <p>After paying its reasonable fees and expenses, the receiver, to the extent possible, must manage the property so as to prevent waste and pay all expenses necessary for the property's normal maintenance.</p> <p>Minn. Stat. § 576.25, subd. 5(c), (d).</p> <p>If property described in a mortgage or a sheriff's certificate is vacant or unoccupied, the mortgage or sheriff's certificate holder may enter the premises to protect them from waste and trespass. If the holder of a sheriff's certificate knows that there is prima facie evidence of abandonment, the holder:</p> <ul style="list-style-type: none"> • must "enter the premises and make reasonable periodic inspections, install or change the locks on all doors, install locks on all windows that do not have locks, and ensure that any existing window locks are functioning properly"; and • may, in order to "protect the premises from waste, trespass, or 	<p>fewer dwelling units where at least one unit is homesteaded, or agricultural property. The foreclosing mortgagee or the purchaser at a foreclosure sale may bring an action for the appointment of a receiver at any time. If the foreclosure is by action, a separate action is not necessary.</p> <p>Minn. Stat. § 576.25, subd. 5(a).</p> <p>In addition, the court must appoint a receiver if the mortgagor has breached a covenant contained in the mortgage related to applying tenant security deposits, paying real estate taxes or special assessments when due, paying insurance premiums when due, or "keeping of the covenants required of a landlord or licensor."</p> <p>The receiver must be</p>

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	<p>other illegal activity.”</p> <p>Minn. Stat. § 582.031, subd. 1(a).</p> <p>The holder of a mortgage or a sheriff’s certificate may take the following actions to protect the premises from waste, trespass, or falling below minimum community standards for public safety and sanitation:</p> <ul style="list-style-type: none"> • make reasonable periodic inspections; • install or change door and window locks and board up windows, doors, and other openings; • install and operate an alarm system; and • “otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activities.” <p>All costs the mortgage holder or sheriff’s certificate holder incurs to protect the premises may be added to the principal balance of the mortgage or the costs allowed upon redemption. The costs may bear interest to the extent provided in the mortgage and may be added to the redemption price if the costs are incurred after a</p>		<p>falling below minimum community standards for public safety and sanitation, enter the premises and board windows, doors, and other openings; install and operate an alarm system; and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activity.”</p> <p>Minn. Stat. § 582.031, subd. 1(a).</p> <p>The holder of a mortgage or a sheriff’s certificate may take the following actions to protect the premises from waste, trespass, or falling below minimum community standards for public safety and sanitation:</p> <ul style="list-style-type: none"> • make reasonable periodic inspections; • install or change door and window locks and board up windows, doors, and other openings; • install and operate an alarm system; and • “otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activities.” 	<p>or retain an experienced property manager and collect the rents, profits, and income. After paying its reasonable fees and expenses, the receiver, to the extent possible, must manage the property so as to prevent waste and pay all expenses necessary for the property’s normal maintenance.</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>foreclosure sale.</p> <p>Minn. Stat. § 582.031, subd. 3.</p> <p>If a building in any city becomes vacant or unoccupied and is deemed hazardous because it is open to trespass and has not been secured and if the building could be made safe by securing it, the governing body may order the building secured and serve notice of the order on the owner of record, the taxpayer identified in property tax records, the holder of the mortgage or sheriff's certificate, and any neighborhood association that has requested notice.</p> <p>Minn. Stat. § 463.251, subd. 2.</p> <p>If the owner of the building or a holder of the sheriff's certificate of sale fails to comply or provide the governing body with a reasonable compliance plan and schedule or to request a hearing on the order within six days, the governing body must properly secure the building. The cost of securing the building may be charged against the real estate.</p> <p>Minn. Stat. § 463.251, subd. 3.</p>		<p>All costs the mortgage holder or sheriff's certificate holder incurs to protect the premises may be added to the principal balance of the mortgage or the costs allowed upon redemption. The costs may bear interest to the extent provided in the mortgage and may be added to the redemption price if the costs are incurred after a foreclosure sale.</p> <p>Minn. Stat. § 582.031, subd. 3.</p> <p>If a building in any city becomes vacant or unoccupied and is deemed hazardous because it is open to trespass and has not been secured and if the building could be made safe by securing it, the governing body may order the building secured and serve notice of the order on the owner of record, the taxpayer identified in property tax records, the holder of the mortgage or sheriff's certificate, and any neighborhood association that has requested notice.</p> <p>Minn. Stat. § 463.251, subd. 2.</p> <p>If the owner of the building or a holder of the sheriff's certificate of sale fails to comply or provide the governing body with a reasonable compliance plan and schedule or to request a hearing on the order</p>	

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			<p>within six days, the governing body must properly secure the building. The cost of securing the building may be charged against the real estate.</p> <p>Minn. Stat. § 463.251, subd. 3.</p>	
Mississippi	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Missouri	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Montana	<p>As a general matter, under Montana law, no person with an interest subject to a mortgage lien may do any act that will substantially impair the mortgagee's security.</p> <p>Mont. Code Ann. § 71-1-106.</p> <p>During mortgage foreclosure proceedings, a court may issue an injunction, upon good cause shown, restraining the party in possession of real property from doing any act that injures the property.</p> <p>Mont. Code Ann. § 71-1-227.</p>	<p>As a general matter, under Montana law, no person with an interest subject to a mortgage lien may do any act that will substantially impair the mortgagee's security.</p> <p>Mont. Code Ann. § 71-1-106.</p> <p>During mortgage foreclosure proceedings, a court may issue an injunction, upon good cause shown, restraining the party in possession of real property from doing any act that injures the property.</p> <p>Mont. Code Ann. § 71-1-227.</p>	<p>As a general matter, under Montana law, no person with an interest subject to a mortgage lien may do any act that will substantially impair the mortgagee's security.</p> <p>Mont. Code Ann. § 71-1-106.</p> <p>During mortgage foreclosure proceedings, a court may issue an injunction, upon good cause shown, restraining the party in possession of real property from doing any act that injures the property.</p> <p>Mont. Code Ann. § 71-1-227.</p>	No applicable statutes or regulations were located.
Nebraska	<p>No applicable statutes or regulations were located.</p> <p>However, effective August 30, 2015,</p>	<p>No applicable statutes or regulations were located.</p> <p>However, effective August 30, 2015,</p>	<p>No applicable statutes or regulations were located.</p> <p>However, effective August 30,</p>	No applicable statutes or regulations were located.

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>Nebraska law explicitly provides that filing a complaint for a mortgage foreclosure or satisfaction, providing required information to a local jurisdiction, or designating a representative to receive notices do not “impose upon the complainant a duty to maintain the mortgaged property.”</p> <p>Neb. Stat. § 25-2142.</p>	<p>Nebraska law explicitly provides that filing a complaint for a mortgage foreclosure or satisfaction, providing required information to a local jurisdiction, or designating a representative to receive notices do not “impose upon the complainant a duty to maintain the mortgaged property.”</p> <p>Neb. Stat. § 25-2142.</p>	<p>2015, Nebraska law explicitly provides that filing a complaint for a mortgage foreclosure or satisfaction, providing required information to a local jurisdiction, or designating a representative to receive notices do not “impose upon the complainant a duty to maintain the mortgaged property.”</p> <p>Neb. Stat. § 25-2142.</p>	
Nevada	<p>A Nevada court may issue an injunction restraining the party in possession of real property from doing anything to injure the property during mortgage foreclosure proceedings or after sale on execution before conveyance.</p> <p>Nev. Rev. Stat. § 40.060.</p> <p>After property is sold on execution, the purchaser may recover damages for any injury to the property by the possessor after sale and before delivery of possession.</p> <p>Nev. Rev. Stat. § 40.070.</p> <p>A person who purchased or acquired vacant residential property pursuant to a foreclosure must maintain the property’s exterior. Such maintenance includes limiting excessive growth of foliage, preventing mosquito larvae from growing in standing water, and preventing any other condition that will</p>	<p>A Nevada court may issue an injunction restraining the party in possession of real property from doing anything to injure the property during mortgage foreclosure proceedings or after sale on execution before conveyance.</p> <p>Nev. Rev. Stat. § 40.060.</p> <p>After property is sold on execution, the purchaser may recover damages for any injury to the property by the possessor after sale and before delivery of possession.</p> <p>Nev. Rev. Stat. § 40.070.</p> <p>A person who purchased or acquired vacant residential property pursuant to a foreclosure must maintain the property’s exterior and prevent any condition that will create a public nuisance. Violators are subject to a civil penalty of up to \$1,000 per day.</p>	<p>A Nevada court may issue an injunction restraining the party in possession of real property from doing anything to injure the property during mortgage foreclosure proceedings or after sale on execution before conveyance.</p> <p>Nev. Rev. Stat. § 40.060.</p> <p>After property is sold on execution, the purchaser may recover damages for any injury to the property by the possessor after sale and before delivery of possession.</p> <p>Nev. Rev. Stat. § 40.070.</p> <p>A person who purchased or acquired vacant residential property pursuant to a foreclosure must maintain the property’s exterior and prevent any condition that will create a public nuisance.</p>	<p>No applicable statutes or regulations were located.</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>create a public nuisance. Violators are subject to a civil penalty of up to \$1,000 per day.</p> <p>Nev. Rev. Stat. § 40.464.</p> <p>The proceeds of a foreclosure sale must be distributed first to "the payment of the reasonable expenses of taking possession, maintaining, protecting and leasing the property."</p> <p>Nev. Rev. Stat. § 40.462.</p>	<p>Nev. Rev. Stat. § 40.464.</p> <p>The proceeds of a foreclosure sale must be distributed first to "the payment of the reasonable expenses of taking possession, maintaining, protecting and leasing the property."</p> <p>Nev. Rev. Stat. § 40.462.</p>	<p>Violators are subject to a civil penalty of up to \$1,000 per day.</p> <p>Nev. Rev. Stat. § 40.464.</p> <p>The proceeds of a foreclosure sale must be distributed first to "the payment of the reasonable expenses of taking possession, maintaining, protecting and leasing the property."</p> <p>Nev. Rev. Stat. § 40.462.</p>	
New Hampshire	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
<p>New Jersey</p>	<p>A creditor foreclosing on a mortgage on residential property must, within 10 days of serving the summons and complaint, notify the municipal clerk that it has filed a summons and complaint to foreclose. That notice must contain the name and contact information for the creditor's representative who is responsible for receiving complaints of property maintenance and code violations. If the creditor is located out-of-state, the notice must contain the name and contact information of an in-state representative or agent who is responsible for the "care, maintenance, security, and upkeep" of the property's exterior if it becomes vacant and abandoned.</p> <p>N.J. Stat. § 46:10B-51(a)(1).</p> <p>If a residential property owner vacates or abandons property on which a foreclosure proceeding has been initiated or if a residential property becomes vacant during foreclosure proceedings but before vesting of title in the creditor, and if the property's exterior is found to be a nuisance or in violation of a state or local law, the creditor must abate the nuisance or correct the violation. A municipality may impose a penalty on a creditor that fails to remedy code violations on certain properties in foreclosure.</p> <p>N.J. Stat. § 46:10B-51(b).</p> <p>If a municipality expends public funds to abate a nuisance or correct a violation on a residential property after the creditor was given notice, but failed to abate the nuisance or correct the violation, the municipality has the same recourse against the creditor as it would have against the property owner.</p>	<p>No provisions specifically relevant to a property's foundation were located. Generally, if a residential property owner vacates or abandons property on which a foreclosure proceeding has been initiated or if a residential property becomes vacant during foreclosure proceedings, but before vesting of title in the creditor, and if the property's exterior is found to be a nuisance or in violation of a state or local law, the creditor must abate the nuisance or correct the violation.</p> <p>N.J. Stat. § 46:10B-51(b).</p>	<p>No provisions specifically relevant to a property's structure were located. Generally, if a residential property owner vacates or abandons property on which a foreclosure proceeding has been initiated or if a residential property becomes vacant during foreclosure, but before vesting of title in the creditor, and if the property's exterior is found to be a nuisance or in violation of a state or local law, the creditor must abate the nuisance or correct the violation.</p> <p>N.J. Stat. § 46:10B-51(b).</p>	<p>No applicable statutes or regulations were located.</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
New Mexico	No applicable statutes or regulations were located.	No applicable statutes or regulations were located	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
New York	<p>A plaintiff in a mortgage foreclosure action who obtains a foreclosure judgment and sale involving residential real property that is vacant, becomes vacant, or is abandoned by the mortgagor but is occupied by a tenant must maintain the property until "ownership has been transferred through the closing of title in foreclosure, or other disposition, and the deed for such property has been recorded." A municipality or governmental entity that holds a subordinate mortgage is not subject to this requirement.</p> <p>N.Y. Real Prop. Acts. § 1307(1).</p> <p>The plaintiff may peaceably enter the property for the "limited purpose of inspections, repairs and maintenance" required by statute or ordered by the court. If a tenant occupies the property, the plaintiff must give the tenant at least seven days' notice, unless emergency repairs are required, in which case the plaintiff must provide reasonable notice.</p> <p>N.Y. Real Prop. Acts. § 1307(2).</p> <p>The municipality, a tenant lawfully in possession, and a board of managers of a condominium or homeowners' association may enforce these</p>	<p>A plaintiff in a mortgage foreclosure action who obtains a foreclosure judgment and sale involving residential real property that is vacant, becomes vacant, or is abandoned by the mortgagor but is occupied by a tenant must maintain the property until "ownership has been transferred through the closing of title in foreclosure, or other disposition, and the deed for such property has been recorded." A municipality or governmental entity that holds a subordinate mortgage is not subject to this requirement.</p> <p>N.Y. Real Prop. Acts. § 1307(1).</p> <p>The plaintiff may peaceably enter the property for the "limited purpose of inspections, repairs and maintenance" required by statute or ordered by the court. If a tenant occupies the property, the plaintiff must give the tenant at least seven days' notice, unless emergency repairs are required, in which case the plaintiff must provide reasonable notice.</p> <p>N.Y. Real Prop. Acts. § 1307(2).</p> <p>The municipality, a tenant lawfully in possession, and a board of managers of a condominium or homeowners' association may enforce these</p>	<p>A plaintiff in a mortgage foreclosure action who obtains a foreclosure judgment and sale involving residential real property that is vacant, becomes vacant, or is abandoned by the mortgagor but is occupied by a tenant must maintain the property until "ownership has been transferred through the closing of title in foreclosure, or other disposition, and the deed for such property has been recorded." A municipality or governmental entity that holds a subordinate mortgage is not subject to this requirement.</p> <p>N.Y. Real Prop. Acts. § 1307(1).</p> <p>The plaintiff may peaceably enter the property for the "limited purpose of inspections, repairs and maintenance" required by statute or ordered by the court. If a tenant occupies the property, the plaintiff must give the tenant at least seven days' notice, unless emergency repairs are required, in which case the plaintiff must provide reasonable notice.</p> <p>N.Y. Real Prop. Acts. § 1307(2).</p> <p>The municipality, a tenant lawfully in possession, and a board of</p>	No applicable statutes or regulations were located.

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>obligations in court after at least seven days' notice to the plaintiff, unless emergency repairs are required. The entity has a cause of action against the plaintiff in the foreclosure action to recover costs incurred maintaining the property.</p> <p>N.Y. Real Prop. Acts. § 1307(3).</p> <p>If the mortgagor starts a bankruptcy proceeding before a public auction is completed, the above duties are suspended during the bankruptcy proceeding or until the court enters an order lifting or removing the automatic stay.</p> <p>N.Y. Real Prop. Acts. § 1307(4).</p> <p>A plaintiff is relieved of its responsibilities to maintain residential real property that is the subject of a foreclosure action for the period that a receiver has been appointed.</p> <p>N.Y. Real Prop. Acts. § 1307(6).</p> <p>In a city with a population of one million or more, an order appointing a receiver to receive the rents and profits of a multiple dwelling must provide that the receiver apply rents, income, and profits to accrued interest on the mortgage, provided "due provision" is made for the payment of "taxes, administration expenses, fees and charges and such reserve as the court may direct." However, a priority is</p>	<p>obligations in court after at least seven days' notice to the plaintiff, unless emergency repairs are required. The entity has a cause of action against the plaintiff in the foreclosure action to recover costs incurred maintaining the property.</p> <p>N.Y. Real Prop. Acts. § 1307(3).</p> <p>If the mortgagor starts a bankruptcy proceeding before a public auction is completed, the above duties are suspended during the bankruptcy proceeding or until the court enters an order lifting or removing the automatic stay.</p> <p>N.Y. Real Prop. Acts. § 1307(4).</p> <p>A plaintiff is relieved of its responsibilities to maintain residential real property that is the subject of a foreclosure action for the period that a receiver has been appointed.</p> <p>N.Y. Real Prop. Acts. § 1307(6).</p> <p>In a city with a population of one million or more, an order appointing a receiver to receive the rents and profits of a multiple dwelling must provide that the receiver apply rents, income, and profits to accrued interest on the mortgage, provided "due provision" is made for the payment of "taxes, administration expenses, fees and charges and such reserve as the court may direct." However, a priority</p>	<p>managers of a condominium or homeowners' association may enforce these obligations in court after at least seven days' notice to the plaintiff, unless emergency repairs are required. The entity has a cause of action against the plaintiff in the foreclosure action to recover costs incurred maintaining the property.</p> <p>N.Y. Real Prop. Acts. § 1307(3).</p> <p>If the mortgagor starts a bankruptcy proceeding before a public auction is completed, the above duties are suspended during the bankruptcy proceeding or until the court enters an order lifting or removing the automatic stay.</p> <p>N.Y. Real Prop. Acts. § 1307(4).</p> <p>A plaintiff is relieved of its responsibilities to maintain residential real property that is the subject of a foreclosure action for the period that a receiver has been appointed.</p> <p>N.Y. Real Prop. Acts. § 1307(6).</p> <p>In a city with a population of one million or more, an order appointing a receiver to receive the rents and profits of a multiple dwelling must provide that the receiver apply rents, income, and</p>	

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>"given to the correction of immediately hazardous and hazardous violations of housing maintenance laws within the time set by orders of any municipal department." If that is not practicable, the receiver must seek a postponement of the time for compliance.</p> <p>N.Y. Real Prop. Acts. §§ 1325(2), (3).</p>	<p>is "given to the correction of immediately hazardous and hazardous violations of housing maintenance laws within the time set by orders of any municipal department." If that is not practicable, the receiver must seek a postponement of the time for compliance.</p> <p>N.Y. Real Prop. Acts. §§ 1325(2), (3).</p>	<p>profits to accrued interest on the mortgage, provided "due provision" is made for the payment of "taxes, administration expenses, fees and charges and such reserve as the court may direct." However, a priority is "given to the correction of immediately hazardous and hazardous violations of housing maintenance laws within the time set by orders of any municipal department." If that is not practicable, the receiver must seek a postponement of the time for compliance.</p> <p>N.Y. Real Prop. Acts. §§ 1325(2), (3).</p>	
North Carolina	<p>No applicable statutes or regulations were located.</p> <p>However, if a party appeals the clerk's findings in a sale pursuant to a power of sale, the appealing party must post a bond to protect the opposing party from any probable loss "by reason of appeal." If the appealing party owns and occupies the property as his or her principal residence, the clerk generally must require a bond equal to one percent of the principal balance due on the note. However, the clerk may require a larger bond if there is "a likelihood of waste or damage to the property during the pendency of the appeal or for other good cause shown."</p>	<p>No applicable statutes or regulations were located.</p> <p>However, if a party appeals the clerk's findings in a sale pursuant to a power of sale, the appealing party must post a bond to protect the opposing party from any probable loss "by reason of appeal." If the appealing party owns and occupies the property as his or her principal residence, the clerk generally must require a bond equal to one percent of the principal balance due on the note. However, the clerk may require a larger bond if there is "a likelihood of waste or damage to the property during the pendency of the appeal or for other good cause shown."</p>	<p>No applicable statutes or regulations were located.</p> <p>However, if a party appeals the clerk's findings in a sale pursuant to a power of sale, the appealing party must post a bond to protect the opposing party from any probable loss "by reason of appeal." If the appealing party owns and occupies the property as his or her principal residence, the clerk generally must require a bond equal to one percent of the principal balance due on the note. However, the clerk may require a larger bond if there is "a likelihood of waste or damage to the property during the pendency of the appeal</p>	<p>No applicable statutes or regulations were located.</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	N.C. Gen. Stat. § 45-21.16(d1).	N.C. Gen. Stat. § 45-21.16(d1).	or for other good cause shown." N.C. Gen. Stat. § 45-21.16(d1).	
North Dakota	A party in possession of real property may be restrained from doing anything to injure the property during the lien's existence or during at mortgage foreclosure up until the time of redemption. The court is authorized to consider any remedy to prevent waste. N.D. Cent. Code § 32-19-19.	A party in possession of real property may be restrained from doing anything to injure the property during the lien's existence or during at mortgage foreclosure up until the time of redemption. The court is authorized to consider any remedy to prevent waste. N.D. Cent. Code § 32-19-19.	A party in possession of real property may be restrained from doing anything to injure the property during the lien's existence or during at mortgage foreclosure up until the time of redemption. The court is authorized to consider any remedy to prevent waste. N.D. Cent. Code § 32-19-19.	No applicable statutes or regulations were located.
Ohio	No applicable statutes or regulations were located. A court may appoint a receiver in a mortgage foreclosure action if, <i>inter alia</i> , it appears that the mortgaged property is in danger of being lost, removed, materially injured, diminished in value, or squandered, provided other specified conditions are met. Ohio Rev. Code § 2735.01.	No applicable statutes or regulations were located. A court may appoint a receiver in a mortgage foreclosure action if, <i>inter alia</i> , it appears that the mortgaged property is in danger of being lost, removed, materially injured, diminished in value, or squandered, provided other specified conditions are met. Ohio Rev. Code § 2735.01.	No applicable statutes or regulations were located. A court may appoint a receiver in a mortgage foreclosure action if, <i>inter alia</i> , it appears that the mortgaged property is in danger of being lost, removed, materially injured, diminished in value, or squandered, provided other specified conditions are met. Ohio Rev. Code § 2735.01.	No applicable statutes or regulations were located.
Oklahoma	Under Oklahoma's Neighborhood Redevelopment Act, the purchaser through foreclosure of any real property of a "redevelopment trust" must continue to maintain, operate, and use such property in accordance with the provisions of the project plan in place.	Under Oklahoma's Neighborhood Redevelopment Act, the purchaser through foreclosure of any real property of a "redevelopment trust" must continue to maintain, operate, and use such property in accordance with the provisions of the project plan in place.	Under Oklahoma's Neighborhood Redevelopment Act, the purchaser through foreclosure of any real property of a "redevelopment trust" must continue to maintain, operate, and use such property in accordance with the provisions of the project plan in place.	No applicable statutes or regulations were located.

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>Okla. Stat. tit. 11, § 40-115(C).</p> <p>The project plan is a description of specific work determined by a city or town to be necessary to rehabilitate property with "blighted conditions," including, <i>inter alia</i>, "deterioration of site improvements" and "conditions which create economic obsolescence, or areas containing obsolete, nonfunctioning or inappropriately developed structures."</p> <p>Okla. Stat. tit. 11, §§ 40-113(1), (4), (5).</p> <p>Upon commencement of an action to foreclose or enforce the remedies in a mortgage, contract for deed, or deed of trust, if the plaintiff "believes, knows, or has reason to know, that the subject property is abandoned or vacated" the plaintiff may seek a court order to protect and preserve the property, if, as a result of such abandonment:</p> <ul style="list-style-type: none"> • physical deterioration and devaluation of the property is occurring or has occurred; • a "risk to the health, safety or welfare of the public, or any adjoining or adjacent property owners, due to potential or actual acts of vandalism, loitering, criminal conduct or the physical destruction or deterioration of the property" exists; or 	<p>Okla. Stat. tit. 11, § 40-115(C).</p> <p>The project plan is a description of specific work determined by a city or town to be necessary to rehabilitate property with "blighted conditions," including, <i>inter alia</i>, "a substantial number of deteriorated or deteriorating structures" and "unsanitary or unsafe conditions."</p> <p>Okla. Stat. tit. 11, §§ 40-113(1), (4), (5).</p> <p>Upon commencement of an action to foreclose or enforce the remedies in a mortgage, contract for deed, or deed of trust, if the plaintiff "believes, knows, or has reason to know, that the subject property is abandoned or vacated" the plaintiff may seek a court order to protect and preserve the property, if, as a result of such abandonment:</p> <ul style="list-style-type: none"> • physical deterioration and devaluation of the property is occurring or has occurred; • a "risk to the health, safety or welfare of the public, or any adjoining or adjacent property owners, due to potential or actual acts of vandalism, loitering, criminal conduct or the physical destruction or deterioration of the property" exists; or • a "risk of additional legal process 	<p>Okla. Stat. tit. 11, § 40-115(C).</p> <p>The project plan is a description of specific work determined by a city or town to be necessary to rehabilitate property with "blighted conditions," including, <i>inter alia</i>, "a substantial number of deteriorated or deteriorating structures," "the existence of conditions which endanger life or property by fire and other causes," and "unsanitary or unsafe conditions."</p> <p>Okla. Stat. tit. 11, §§ 40-113(1), (4), (5).</p> <p>Upon commencement of an action to foreclose or enforce the remedies in a mortgage, contract for deed, or deed of trust, if the plaintiff "believes, knows, or has reason to know, that the subject property is abandoned or vacated" the plaintiff may seek a court order to protect and preserve the property, if, as a result of such abandonment:</p> <ul style="list-style-type: none"> • physical deterioration and devaluation of the property is occurring or has occurred; • a "risk to the health, safety or welfare of the public, or any adjoining or adjacent property owners, due to potential or actual acts of vandalism, loitering, 	

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<ul style="list-style-type: none"> a "risk of additional legal process for violation of law, ordinance, unpaid taxes or accrual of liens" exists. <p>Okla. Stat. tit. 46, § 302(A).</p> <p>The plaintiff must file and pursue the motion to protect and preserve an abandoned or vacated property in accordance with court rules and statutory civil procedures for motions.</p> <p>Okla. Stat. tit. 46, § 302(B).</p> <p>Upon issuance of an order to protect and preserve property, the court must direct the plaintiff to inventory any remaining personal property and to file the inventory in the court case file, and the plaintiff must take possession of and secure the property pending the foreclosure.</p> <p>Okla. Stat. tit. 46, § 302(H)(3), (I).</p>	<p>for violation of law, ordinance, unpaid taxes or accrual of liens" exists.</p> <p>Okla. Stat. tit. 46, § 302(A).</p> <p>The plaintiff must file and pursue the motion to protect and preserve an abandoned or vacated property in accordance with court rules and statutory civil procedures for motions.</p> <p>Okla. Stat. tit. 46, § 302(B).</p> <p>Upon issuance of an order to protect and preserve property, the court must direct the plaintiff to inventory any remaining personal property and to file the inventory in the court case file, and the plaintiff must take possession of and secure the property pending the foreclosure.</p> <p>Okla. Stat. tit. 46, § 302(H)(3), (I).</p>	<p>criminal conduct or the physical destruction or deterioration of the property" exists; or</p> <ul style="list-style-type: none"> a "risk of additional legal process for violation of law, ordinance, unpaid taxes or accrual of liens" exists. <p>Okla. Stat. tit. 46, § 302(A).</p> <p>The plaintiff must file and pursue the motion to protect and preserve an abandoned or vacated property in accordance with court rules and statutory civil procedures for motions.</p> <p>Okla. Stat. tit. 46, § 302(B).</p> <p>Upon issuance of an order to protect and preserve property, the court must direct the plaintiff to inventory any remaining personal property and to file the inventory in the court case file, and the plaintiff must take possession of and secure the property pending the foreclosure.</p> <p>Okla. Stat. tit. 46, § 302(H)(3), (I).</p>	
Oregon	<p>No specifically applicable statutes or regulations that apply during the foreclosure process were located.</p> <p>However, "[a]n owner may not neglect the owner's foreclosed residential real property during any period in which the</p>	<p>No specifically applicable statutes or regulations that apply during the foreclosure process were located.</p> <p>However, "[a]n owner may not neglect the owner's foreclosed residential real property during any period in which</p>	<p>No specifically applicable statutes or regulations that apply during the foreclosure process were located.</p> <p>However, "[a]n owner may not neglect the owner's foreclosed residential real property during any</p>	<p>No applicable statutes or regulations were located.</p>

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
	<p>foreclosed residential real property is vacant."</p> <p>Or. Rev. Stat. § 18.995(2)(a).</p> <p>In this context, "owner" means a person, other than a local government, that forecloses a trust deed by advertisement and sale or by suit. "Neglect" includes the failure to maintain the "buildings, grounds or appurtenances of foreclosed residential real property" so as to allow excessive foliage growth that diminishes an adjacent property's value, trespassers or squatters to remain on the property, mosquito larvae or pupae to grow in standing water on the property, or other conditions that cause a public nuisance. It also includes the failure to monitor the property's condition by inspecting it at least once every 30 days.</p> <p>Or. Rev. Stat. § 18.995(1)(b), (c).</p> <p>An owner must post a "durable notice in a conspicuous location" on the property, listing a telephone number for the owner or the local government that a person may call to report neglect.</p> <p>Or. Rev. Stat. § 18.995(2)(c).</p>	<p>the foreclosed residential real property is vacant."</p> <p>Or. Rev. Stat. § 18.995(2)(a).</p> <p>In this context, "owner" means a person, other than a local government, that forecloses a trust deed by advertisement and sale or by suit. "Neglect" includes, <i>inter alia</i>, the failure to maintain the buildings on foreclosed residential real property so as to allow conditions that cause a public nuisance.</p> <p>Or. Rev. Stat. § 18.995(1)(b), (c).</p> <p>An owner must post a "durable notice in a conspicuous location" on the property, listing a telephone number for the owner or the local government that a person may call to report neglect.</p> <p>Or. Rev. Stat. § 18.995(2)(c).</p>	<p>period in which the foreclosed residential real property is vacant."</p> <p>Or. Rev. Stat. § 18.995(2)(a).</p> <p>In this context, "owner" means a person, other than a local government, that forecloses a trust deed by advertisement and sale or by suit. "Neglect" includes, <i>inter alia</i>, the failure to maintain the buildings on foreclosed residential real property so as to allow conditions that cause a public nuisance.</p> <p>Or. Rev. Stat. § 18.995(1)(b), (c).</p> <p>An owner must post a "durable notice in a conspicuous location" on the property, listing a telephone number for the owner or the local government that a person may call to report neglect.</p> <p>Or. Rev. Stat. § 18.995(2)(c).</p>	
Pennsylvania	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.

JURISDICTION	EXTERNAL PROPERTY MAINTENANCE REQUIREMENTS	FOUNDATION MAINTENANCE REQUIREMENTS	STRUCTURAL MAINTENANCE REQUIREMENTS	INSURANCE DURING FORECLOSURE
Puerto Rico	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Rhode Island	<p>No generally applicable statutes or regulations were located.</p> <p>In the context of a foreclosure for unpaid taxes, a tax sale generally does not obviate or transfer an owner's responsibility to comply with a state statute or ordinance governing the maintenance of property until the right of redemption is foreclosed. However, one year after the sale date, the tax title-holder is jointly and severally liable with the owner for compliance with state statutes or ordinances governing the property's maintenance, even before the redemption right is foreclosed. This provision does not confer any liability on a city or town that receives a tax title as a result of bids being made at an amount equal to the tax and charges.</p> <p>R.I. Gen. Laws § 44-9-12.</p>	<p>No generally applicable statutes or regulations were located.</p> <p>In the context of a foreclosure for unpaid taxes, a tax sale generally does not obviate or transfer an owner's responsibility to comply with a state statute or ordinance governing the maintenance of property until the right of redemption is foreclosed. However, one year after the sale date, the tax title-holder is jointly and severally liable with the owner for compliance with state statutes or ordinances governing the property's maintenance, even before the redemption right is foreclosed. This provision does not confer any liability on a city or town that receives a tax title as a result of bids being made at an amount equal to the tax and charges.</p> <p>R.I. Gen. Laws § 44-9-12.</p>	<p>No generally applicable statutes or regulations were located.</p> <p>In the context of a foreclosure for unpaid taxes, a tax sale generally does not obviate or transfer an owner's responsibility to comply with a state statute or ordinance governing the maintenance of property until the right of redemption is foreclosed. However, one year after the sale date, the tax title-holder is jointly and severally liable with the owner for compliance with state statutes or ordinances governing the property's maintenance, even before the redemption right is foreclosed. This provision does not confer any liability on a city or town that receives a tax title as a result of bids being made at an amount equal to the tax and charges.</p> <p>R.I. Gen. Laws § 44-9-12.</p>	No applicable statutes or regulations were located.
South Carolina	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
South Dakota	No statutes or regulations were located in which external property maintenance responsibility during a foreclosure is allocated.	No statutes or regulations were located in which foundation maintenance responsibility during a foreclosure is allocated.	No statutes or regulations were located in which structural maintenance responsibility during a foreclosure is allocated.	South Dakota law provides that the purchaser of property pursuant to a mortgage foreclosure

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	<p>However, the purchaser of property sold pursuant to foreclosure may recover damages for injury to the property by the party in possession after the sale, and before possession is delivered.</p> <p>S.D. Codified Laws § 15-19-27.</p>	<p>However, the purchaser of property sold pursuant to foreclosure may recover damages for injury to the property by the party in possession after the sale, and before possession is delivered.</p> <p>S.D. Codified Laws § 15-19-27.</p>	<p>However, the purchaser of property sold pursuant to foreclosure may recover damages for injury to the property by the party in possession after the sale, and before possession is delivered.</p> <p>S.D. Codified Laws § 15-19-27.</p>	<p>may, during the redemption period, pay premiums to renew an insurance policy covering the property in case the policy expires. Such amounts will be included in the price of redemption.</p> <p>S.D. Codified Laws § 44-8-17.</p>
Tennessee	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Texas	<p>No applicable statutes or regulations were located.</p> <p>However, in the narrow context of resale by a taxing unit, a taxing unit that does not consent to a private sale is liable to the taxing unit that purchased the property for a pro rata share of the costs the purchasing unit incurred to maintain the property.</p> <p>Tex. Tax Code § 34.05(l).</p>	<p>No applicable statutes or regulations were located.</p> <p>However, in the narrow context of resale by a taxing unit, a taxing unit that does not consent to a private sale is liable to the taxing unit that purchased the property for a pro rata share of the costs the purchasing unit incurred to maintain the property.</p> <p>Tex. Tax Code § 34.05(l).</p>	<p>No applicable statutes or regulations were located.</p> <p>However, in the narrow context of resale by a taxing unit, a taxing unit that does not consent to a private sale is liable to the taxing unit that purchased the property for a pro rata share of the costs the purchasing unit incurred to maintain the property.</p> <p>Tex. Tax Code § 34.05(l).</p>	No applicable statutes or regulations were located.

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Utah	<p>A Utah court may, upon a showing of good cause, enjoin the party in possession of real property from injuring the property during mortgage foreclosure proceedings or after a sale on execution.</p> <p>Utah Code § 78B-6-907.</p> <p>See also Utah Code § 78B-6-909 (setting forth lender's remedies upon environmental impairment to real property when the borrower is in default).</p>	<p>A Utah court may, upon a showing of good cause, enjoin the party in possession of real property from injuring the property during mortgage foreclosure proceedings or after a sale on execution.</p> <p>Utah Code § 78B-6-907.</p> <p>See also Utah Code § 78B-6-909 (setting forth lender's remedies upon environmental impairment to real property when the borrower is in default).</p>	<p>A Utah court may, upon a showing of good cause, enjoin the party in possession of real property from injuring the property during mortgage foreclosure proceedings or after a sale on execution.</p> <p>Utah Code § 78B-6-907.</p> <p>See also Utah Code § 78B-6-909 (setting forth lender's remedies upon environmental impairment to real property when the borrower is in default).</p>	<p>No applicable statutes or regulations were located.</p>
Vermont	<p>No applicable statutes or regulations were located.</p>	<p>No applicable statutes or regulations were located.</p>	<p>No applicable statutes or regulations were located.</p>	<p>No applicable statutes or regulations were located.</p>
Virgin Islands	<p>No specifically applicable statutes or regulations were located.</p> <p>However, until the redemption period expires, a court may restrain the commission of waste on the property by order granted on the purchaser's or the judgment creditor's application. It is not deemed "waste" for the person possessing the property at the time of sale or entitled to possession during the redemption period to make necessary repairs to buildings on the property.</p> <p>V.I. Code tit. 5, § 499.</p>	<p>No specifically applicable statutes or regulations were located.</p> <p>However, until the redemption period expires, a court may restrain the commission of waste on the property by order granted on the purchaser's or the judgment creditor's application. It is not deemed "waste" for the person possessing the property at the time of sale or entitled to possession during the redemption period to make necessary repairs to buildings on the property.</p> <p>V.I. Code tit. 5, § 499.</p>	<p>No specifically applicable statutes or regulations were located.</p> <p>However, until the redemption period expires, a court may restrain the commission of waste on the property by order granted on the purchaser's or the judgment creditor's application. It is not deemed "waste" for the person possessing the property at the time of sale or entitled to possession during the redemption period to make necessary repairs to buildings on the property.</p> <p>V.I. Code tit. 5, § 499.</p>	<p>No applicable statutes or regulations were located.</p>

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Virginia	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located. However, a foreclosure sale is grounds for cancelling a property insurance policy. Va. Code § 38.2-2114.
Washington	A Washington court may appoint a receiver if, <i>inter alia</i> , the attached property is in danger of waste, the property's owner has abandoned the property, or the court determines that the nature of the property or the exigency of the case provides cause for appointing a receiver. Wash. Rev. Code § 7.60.025	A Washington court may appoint a receiver if, <i>inter alia</i> , the attached property is in danger of waste, the property's owner has abandoned the property, or the court determines that the nature of the property or the exigency of the case provides cause for appointing a receiver. Wash. Rev. Code § 7.60.025	A Washington court may appoint a receiver if, <i>inter alia</i> , the attached property is in danger of waste, the property's owner has abandoned the property, or the court determines that the nature of the property or the exigency of the case provides cause for appointing a receiver. Wash. Rev. Code § 7.60.025	No applicable statutes or regulations were located.
West Virginia	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Wisconsin	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.
Wyoming	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.	No applicable statutes or regulations were located.