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CITY OF LOS ANGELES FORECLOSURE REGISTRY PROGRAM

Hotline

Phone: (213) 808-8858

Link to ordinance: http://clkrep.lacity.org/onlinedocs/2009/09-0365_ord_181185.pdf

Effective July 8, 2010, the Los Angeles City Council passed the *Foreclosure Registry Program* (Ordinance No. 181185) to establish a residential property registration program as a mechanism to protect residential neighborhoods, including abandoned properties, from blight through the lack of adequate maintenance and security as a result of the foreclosure crisis. The Ordinance was amended (Ordinance No. 183281) to include a proactive inspection fee and a requirement to inspect and report back monthly on the condition of the property.

IF I WANT TO FILE A COMPLAINT ABOUT A PROPERTY, WHO DO I CALL?

To report blighted properties call the City of Los Angeles "One Call to City Hall" line by dialing 3-1-1. When calling from outside the City boundaries, call (866)-452-2423.

WHO IS AFFECTED BY THIS ORDINANCE AND WHEN IS THE EFFECTIVE DATE?

Any lender (or beneficiary or trustee who holds or has an interest in a deed of trust) on a property in foreclosure located within the City of Los Angeles must register that property with the Housing + Community Investment Department (HCIDLA). Any lender who issues a Notice of Default after July 8, 2010, must register such property with HCIDLA **within thirty days** of the issuance of the Notice of Default. Registration is also required on properties that have been the subject of a foreclosure sale where the title was transferred to the beneficiary or the trustee of a deed of trust involved in the foreclosure or transferred under a deed in lieu of foreclosure/sale.

HOW DO I REGISTER A FORECLOSED PROPERTY WITH HCIDLA?

Effective January 1, 2011, properties registering with HCIDLA **must register online only** at: <http://hcidla.lacity.org>. Registrants shall provide HCIDLA with **contact information including name, street address and direct telephone number** of the beneficiary and/or trustee and pay the required registration fee. Post office boxes are not acceptable addresses. If the responsible person(s) are located "Out of Area", the **contact information, including street address and phone number**, for the staff of any property management or property preservation company responsible for the security, maintenance, and marketing of the property must also be provided.

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The beneficiary and/or trustee must be empowered to:

- (1) Comply with code enforcement orders issued by the City and other enforcement entities,
- (2) Provide a trespass authorization upon request of local law enforcement authorities,
- (3) Conduct inspections of the property,
- (4) Accept rental payments from tenants of the property if no management company is otherwise responsible for receipt of rents.

Effective **January 1, 2013**, pursuant to an amendment (Ordinance No. 182319) to the Foreclosure Registry Program, **registration with the Mortgage Electronic System (MERS) is no longer an option**. All properties subject to the Foreclosure Registry Program **shall** be registered with HCIDLA.

WHEN ARE CHANGES IN REGISTRATION REQUIRED?

Lenders who register a property with HCIDLA must report any change of information contained in the registration to HCIDLA within 10 days of the change. If a property changes to foreclosed status, real estate owned, the beneficiary and/or trustee will be required to pay a proactive inspection fee.

WHAT ARE THE REGISTRATION FEES?

An annual registration fee in the amount of **\$155.00** shall be paid to HCIDLA at the time of registration. The fee and registration shall be valid for the calendar year, or remaining portion of the calendar year, in which the registration was initially required. **Subsequent registrations and fees are due January 1st of each year and must be received no later than January 31st of the year due.**

WHAT ARE THE VIOLATIONS AND PENALTIES?

If HCIDLA determines that a lender has failed to register the property, failed to make payment of any fees, including registration and proactive inspection fees, failed to comply with the monthly inspection and reporting requirements, HCIDLA will provide written notification to the lender of their failure to comply with this ordinance. If the lender fails to comply within thirty (30) days of HCIDLA's written notification, **the lender shall pay a penalty in the amount of \$250 per day for each day subsequent to the date of HCIDLA written notification.**

HOW DO I DE-REGISTER A PROPERTY?

There are only two valid reasons for de-registration: 1) Reinstatement of Loan/Loan Modification; and 2) Sale to a third party (Non REO). A change in servicer/lender/property management company **does not** qualify for de-registration. To de-register properties online, select "**Managed Registered Properties**" from main menu. Click on red "**Change**" link located at the upper right hand corner and complete de-registration process. Please note that all requests will be reviewed and approved by staff.

WHO IS REQUIRED TO PAY PROACTIVE INSPECTION FEE?

When a vacant multi-family or single-family residential property's status changes to foreclosed, the beneficiary or trustee who acquired the property shall pay a proactive inspection fee in the amount of **\$356**. HCIDLA shall inspect all foreclosed occupied multi-family residential properties that are registered pursuant to the standards and procedures provided for in Article 1 of Chapter XVI of the Los Angeles Municipal Code. Failure to pay the inspection fee at the time the property's status is changed to reflect foreclosed on the registry, or at the time a foreclosed property is registered if it was not registered upon default, will result in penalties of \$250 per day.

WHAT ARE THE MONTHLY INSPECTION REQUIREMENTS?

Effective **February 1, 2015**, a property with a recorded notice of default and properties where the foreclosure is complete and the beneficiary or trustee takes title to the property, shall be inspected by the beneficiary and/or trustee monthly until the trustor or other party remedies the default, or until the foreclosure is complete. The beneficiary and/or trustee shall provide monthly reports to HCIDLA that record the date of the monthly inspection and the condition of the property as observed during that inspection.