

Law Would Help Renters
When Landlord Loses Property in Foreclosure
by Sheryl Harris/Plain Dealer Consumer Affairs Columnist
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CONSUMER WISE

A weekly column about consumer affairs

Renters could get some much-needed help if a bill proposed last week by Rep. Mike Foley gets some traction.

Foley's call for a six-month moratorium on foreclosures overshadowed HB 9, the Cleveland Democrat's effort to protect renters when the homes they live in go into foreclosure.

Renters often are the last to know when their homes are foreclosed on. Tenants may pay rent faithfully, only to find the new owner on their doorstep demanding that they leave.

The change of ownership voids the lease.

Foley's bill would require landlords to notify tenants of a foreclosure within a month of the foreclosure filing, so renters can have time to seek a new place and save up for the move.

Once the foreclosure goes through, a process that can take months, the lease would convert to a month-to-month agreement, meaning either party could terminate it with 30 days' notice.

Foreclosures in Ohio have increased in each of the last 13 years, according to a report from the state Supreme Court. Cuyahoga County foreclosures actually dropped 2.9 percent last year, according to the court - but bear in mind, that still means 13,858 homes went into foreclosure.

According to a 2008 Policy Matters Ohio report, more than a third of foreclosures in Cuyahoga County involve rental property.

It's way past time for this common sense fix.

New foreclosure office leader

Paul Bellamy will head the Cuyahoga County Foreclosure Prevention Program.

Some readers may remember Bellamy as executive director of the Lorain County Reinvestment Coalition, or for his even earlier work with the Union Miles Development Corp.

Bellamy spent the last two years working with Equal Justice Foundation, a nonprofit group in Columbus that focuses on issues that affect the poor.

Treasurer Jim Rokakis said he was wowed by Bellamy's presentation at a conference last year in which Bellamy laid out the case that financial incentives were behind mortgage servicers' reluctance to adjust mortgages for consumers who faced foreclosure.

So when program head Mark Wiseman slipped away to the Ohio attorney general's office, eager for the chance to get back into a courtroom, Rokakis quickly plucked Bellamy from among the applicants.

Rokakis noted a nationwide shift in lenders' positions.

"For the first time, even banks are talking about the need for a moratorium on foreclosures. . . . We have banks saying, 'We're OK with courts doing mortgage cramdowns,' " Rokakis said. "We have to be prepared to take advantage of this change."

"I think we need to take this program to the next level," added Rokakis, who never thinks small.

More on payday clones

The news that payday lenders are offering payday clones (read my last column at cleveland.com/consumeraffairs) got many people besides me grumbling.

I'm giving today's last word on the subject to reader Ulrich Koch:

"What are we paying those people in Columbus for anyhow?"

"We send all these smart lawyers to Columbus to write our laws, tell them exactly what to fix, and before the ink is dry the bandits have outsmarted them with a giant loophole. .

"As Rep. Bill Batchelder said, 'We have an overwhelming mandate from the people of Ohio to get rid of this stuff.' "

"So get rid of it! Now! And we don't need another multimillion-dollar campaign to vote on it again."