

FEDERAL RESERVE BANK of CLEVELAND Getting Back In Gear: Better Ways To Move Stalled And Vacant Foreclosures Forward

Barbara A. Reitzloff, Chief Magistrate Cleveland Municipal Court Housing Division March 11, 2014

Housing Court Foreclosures

- Short time to disposition;
- Orientation sessions for owners, tenants;
- Lender/counsel
 w/authority at every
 appearance;
- Attention to condition of property – local rule requires PSR.



Property Status Report ("PSR")

- Identifies whether owner-occupied, tenant-occupied, or vacant;
- Must include current photograph of property;
- Court may issue order to plaintiff based on PSR.

CLEVELAND HOUSING COURT Judge Raymond L. Pianka Property Status Report 060 V 029240	
Address: 7921 Amos St.	
Titled Owner(s): Joe Davis and Nattie Davis	
Number of Units: one	
Occupied: <u>NO</u>	If YES, by whom:
Current code violations: YES	If YES, explain: Board-up (B06049745)
Observed to be open to weather	& dilapidated
Ward #:6	Abandoned/Unlicensed Vehicles: YES NO
Is this property the subject of litigation	in any other court? YES NO
If YES, explain:	0 10
How long has current owner owned property: Since before 1975, perhaps 1945, per easement	
If less than 5 years, list previous owners for last five years:	
Is this action being brought pursuant to R.C. § 5721.39? NO	

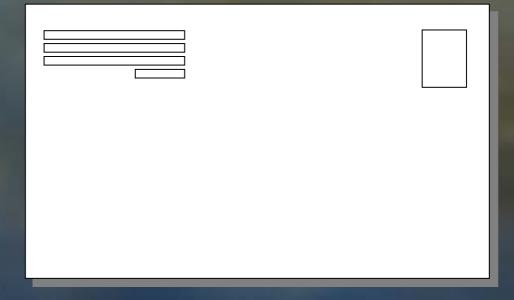
Zombie Liens/Toxic Titles



- Caused by:
 - ✓ Abandonment of foreclosure without cancellation of lien;
 - ✓ Motion vacate and dismiss foreclosure;
 - ✓ Withdraw of property from Sheriff's Sale.
- In Housing Court:
 - ✓ Manifestation;
 - ✓ Managing collateral damage;
 - ✓ Clearing.

Managing Collateral Damage: Letter to Common Pleas Foreclosure Defendants

- Sent to all primary defendants in foreclosures filed in Common Pleas with property in Cleveland or Bratenahl;
- Outlines property maintenance obligations and owners' right to occupy during foreclosure process;
- Provides information for contacting Housing Specialist and County Foreclosure Prevention Programs;
- Information used to refer unoccupied properties to Common Pleas Accelerated Foreclosure Docket for Vacant and Abandoned Properties.



Managing Collateral Damage: Placard Program

- Bailiff posts placards at vacant, abandoned property before the Court.
- Includes contact info for:
 - ✓ Owner;
 - ✓ Bank/lending institution if in foreclosure;
 - ✓ Assigned Housing Specialist.

NOTICE:

This property is the subject of a case in the Cleveland Housing Court:

11500 GRAY AVENUE CLEVELAND, OHIO 44108

Trespassers found on this property may be prosecuted or charged with contempt of court.

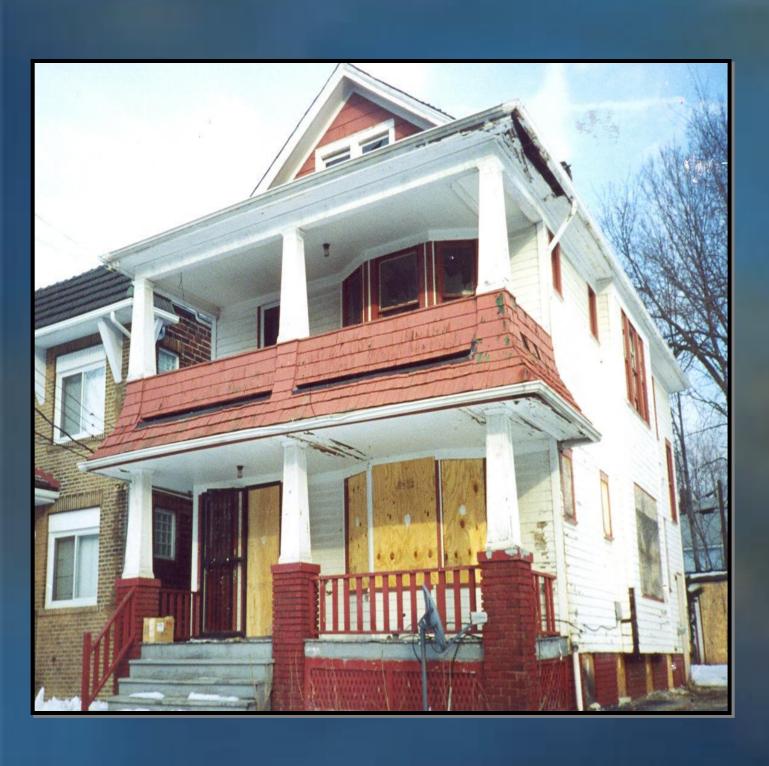
ORC §§2705.01, 2911.21

The telephone number of the titled owner, MARK WHITE, is (216) 323-5611. The telephone number for HSBC BANK is (909) 397-3372.

For the current status of this case, you may contact Housing Specialist **HODGE** at **(216) 664-3120**, and reference Case No. 05-CRB-038253. Foreclosure information about Case No. 2006-CV-584506 may be obtained by contacting the Court of Common Pleas at (216) 443-8505.

JUDGE RAYMOND L. PIANKA CLEVELAND MUNICIPAL COURT HOUSING DIVISION

Clearing Toxic Titles



Quiet Title Action

Receivership —R.C. 3767.41

Clearing Toxic Titles

Donations to:

- County Land Bank
- City Land Bank
- CDCs

Court-Issued Subpoenas

- ✓ Obtain information helpful to the administration of case
- ✓ Brings all necessary parties to the table to make decision re: lienholder's interest



Additional Issues

Service Issues

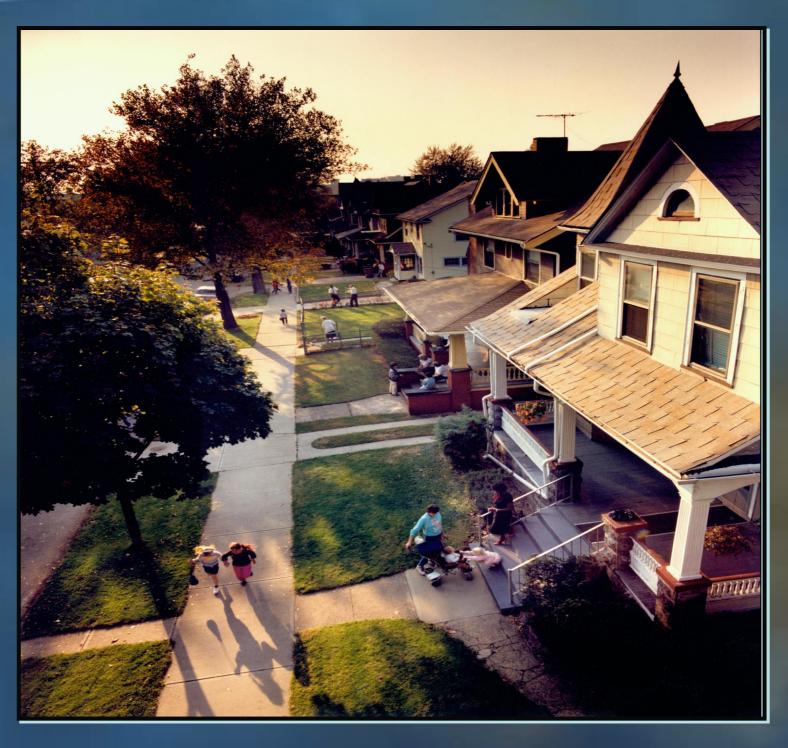
- Not formally organized;
- No longer in business;
- Not licensed to do business in Ohio.



Business Entities

- Out of State Owners (virtually every state in the country);
- ☐ International corporations: HSBC, Deutsche Bank
- ☐ Individuals overseas.

Ensuring Livability in Cleveland's Neighborhoods



www.clevelandhousingcourt.org