

**Report on the Progress of the Multi-City Litigation Work Group on Foreclosures**

To: Mayor Sheila Dixon and City Council President Stephanie Rawlings Blake

Cc: Angela Gibson; Chuck Thompson, Executive Director of IMLA

From: City Solicitor George Nilson

Date: April 14, 2009

On January 12, 2009 the City Council enacted a resolution supporting the City Solicitor's efforts to partner with other cities to create a unified local government front for addressing the foreclosure crisis, to hold the lenders accountable, to reduce the number of foreclosures, and to eliminate vacant homes. On January 14, 2009 Mayor Sheila Dixon signed the resolution into law. The resolution requested that the City Solicitor report back to the Mayor and City Council of Baltimore in 90 days on the progress of the multi-city working group.

In September, 2008, the City Solicitor co-founded and now continues to Co-Chair with the City Attorney of St. Paul, the Multi-City Litigation Working Group on Foreclosures under the auspices of the International Municipal Lawyers Association. This group began as a relatively informal affiliation of legal officers for municipalities throughout the nation who are concerned about the impact of foreclosures on their cities, and interested in sharing strategies for preventing and ameliorating foreclosures. Since September, 2008, the Working Group has conducted monthly conference calls on the second Tuesday of each month, with responsibility for organizing and chairing the calls alternating between the City Attorney of St. Paul and City Solicitor George Nilson. In between calls, the Working Group communicates through a restricted IMLA moderated listserv and through individual member phone calls.

Since its founding, the Working Group has agreed to jointly devise and implement legal strategies to proactively address the foreclosure crisis, to hold lenders accountable, reduce the number of foreclosures, and eliminate vacant homes. To this end, the Working Group has drafted and finalized a Common Interest Agreement, which conforms to the requirements of state law in all of the participating jurisdictions, permitting signatories to share confidential and privileged information, communications and strategies while safeguarding the privileged and confidential nature of these communications. This agreement is titled, "Common Interest in Anticipation of Litigation Joint Participation Agreement for Cities and Municipalities." To date, seventeen municipalities have signed the Common Interest Agreement, including:

1. Arlington, TX; 2. Atlanta, GA; 3. Baltimore, MD; 4. Buffalo, NY; 5. Chicago, IL; 6. Denver, CO; 7. Detroit, MI; 8. Duluth, MN; 9. Memphis, TN; 10. Miami, FL; 11. Minneapolis, MN; 12. New York, NY; 13. Sacramento, CA; 14. St. Louis, MI; 15. St. Paul, MN; 16. San Fransisco, CA; 17. Shelby County, TN.

In all, the Working Group encompasses the legal interests of approximately 19 million people, residents of the participating municipalities.

The City Attorney of Cleveland, Ohio will participate in the non-confidential portion of this month's call in order to report on the foreclosure crisis in his City. Cleveland is in the process of executing the Common Interest Agreement in order to formally participate in the Working Group going forward, increasing the Working Group membership to eighteen. We anticipate that additional cities will join in the future.

Several of the member cities, including Baltimore, are currently engaged in litigation and/or settlement efforts with lenders concerning foreclosures. The Working Group enables members to share research and legal documents, as well as to update one another and to jointly strategize concerning these efforts. This collaboration is invaluable.

In November, 2008, an affiliated IMLA Committee, the Code Enforcement Committee, began to focus on foreclosures. Since that date, the Code Enforcement Committee has conducted monthly conference calls, open to all municipalities to discuss the use of municipal code enforcement authority to prevent and ameliorate the urban blight that often follows foreclosure. Jason Hessler, Director of Code Enforcement at Baltimore's Department of Housing and Community Development participates in those calls. Recognizing Baltimore's leadership in this area, IMLA invited Mr. Hessler and Michael Braverman, Deputy Commissioner for Code Enforcement, to speak at its National Conference on Code Enforcement Strategies for Foreclosure in January in Fort Lauderdale.

Simultaneous with the Mayor and City Council of Baltimore's issuance of the resolution supporting the formation of the Working Group, the City Council of St. Paul Minnesota also issued a resolution of support. These resolutions received favorable press coverage, helping to alert lenders that municipalities have developed a united front to address illegal or irresponsible lending practices and foreclosures.

During the first quarter of 2009 there were approximately 1,300 foreclosure filings in the City of Baltimore. If this pace continues, we will have over 5,000 foreclosure filings in 2009, up from just over 4,000 in 2008. The IMLA Multi-City Litigation Working Group on Foreclosures and the Code Enforcement Committee are valuable tools for the City of Baltimore as we formulate and execute municipal responses to this national crisis.

A handwritten signature in blue ink that reads "Deey Wilson". The signature is written in a cursive, flowing style.