

5 Steps Forward in the Fight Against Community Blight in 2016

When I look back on 2016, I am encouraged with the progress we are making collectively to prevent the damage blight inflicts on our communities. Far more needs to be done in 2017, but together, we have made great strides to reduce both the use of plywood on vacant and abandoned homes and the number of zombie properties in our neighborhoods. Here are five promising steps forward we took in 2016, and two missteps we should work to improve upon in the new year.

- **In one of the most significant shifts I've seen in my more than 25 years in the mortgage servicing industry, [Fannie Mae](#) announced at the recent National Property Preservation Conference (NPPC) in Baltimore that it will reimburse mortgage field servicers for the cost of boarding with polycarbonate on pre-foreclosure properties.** The reimbursement expansion is an industry game-changer, and brings to bear an essential 21st century solution to the battle against community blight being waged across the country
- **[Ohio](#) approved a fast-track law that should serve as a national model.** You've heard me say it before. A vacant house is not like a bottle of wine. It does not improve with age. Ohio's legislation accelerates the foreclosure process from two years or more to as little as six months! The change will help reduce the number of zombie properties in Ohio neighborhoods. A key point: The law requires "clear and convincing evidence" that a property is vacant and abandoned before a foreclosure can be enacted.
- **[New York](#) also created an option for an expedited foreclosure process on bona fide vacant and abandoned properties.** While important because of the state it impacts, the law places a new burden on banks and servicers. It will not be as effective as Ohio's law.
- **A [MacArthur Foundation study](#) offered alarming findings on blight's impact on children.** The study identified a correlation between blight and the welfare of nearly 14,000 Cleveland schoolchildren born between 2002 and 2005, the height of the city's housing crisis. The disturbing findings of this new study validate what we suspected all along— that blight has a lasting impact on our children.
- **A [study](#) led by Dr. Charles Branas at the University of Pennsylvania, confirms how remediating abandoned buildings significantly reduces firearm violence.** The study, which reviewed neighborhoods in Philadelphia, documents the link between abandoned buildings and crime, further validating my argument that remediating vacant and abandoned properties can both reduce community blight and make neighborhoods safer.

And here are two steps back that the mortgage servicing industry needs to address.

- **The [Supreme Court of Washington](#) determined that state law prohibits lenders from taking possession of a property prior to foreclosure, despite any language to the contrary in the mortgage documents.** Under this ruling, changing the locks or otherwise securing an abandoned property is no longer permitted before foreclosure — even if the foreclosure process drags on for months or even years. This is a recipe for zombie properties and must be addressed! We need to change any law that could be interpreted in similar fashion.
- **The federal [Hardest Hit Fund](#) disbursed well-intentioned but needlessly restricted dollars to 18 states and the District of Columbia to deploy in their fight against blight.** HHF targets critical resources toward programs that help Americans avoid foreclosure and stabilize housing markets. For instance, Ohio intends to spend 90 percent of its current allocation on demolishing vacant and abandoned homes. The rest will go toward programs to help families remain in their homes. The problem is that the funds may not explicitly be used to secure or maintain vacant and abandoned properties to prevent them from becoming sources of blight. Without question, loosening of those strings is essential in order for these federal funds to be more effective in combating community blight.

I am optimistic that 2017 will see even greater advancement in the progressive thinking in our fight against community blight. We all must work together to reduce the use of plywood and to change laws and policies that create opportunities for zombie properties to grow and fester. We must attack blight block by block, neighborhood by neighborhood. When we apply 21st century solutions to this pervasive problem, we will dramatically reduce blight in all our communities.