



## **‘FAST-TRACK’ FORECLOSURE LAW PUTS OHIO AHEAD OF NATIONAL CURVE, SAYS ADVOCATE**

CLEVELAND – June 29, 2016 – Groundbreaking legislation that will help Ohio communities fight and prevent blight was hailed yesterday by one of the measure’s leading advocates. Robert Klein, founder and chairman of Cleveland-based Community Blight Solutions, had urged lawmakers for nearly three years to enact a “fast-track” process for mortgage foreclosures on vacant and abandoned residential property.

“Ohio has now put itself ahead of the national curve in fighting community blight,” Klein said. “Outdated foreclosure laws are one of the primary causes of blight in communities across the country, and Ohio is one of only a few states that are doing anything about it.”

The fast-track provisions are included in the broader H.B. 390, which was signed Tuesday by Gov. John Kasich and becomes law in 90 days.

Klein said existing foreclosure requirements in Ohio, like those in many states, often cause vacant and abandoned properties to sit empty for two years or more and become “zombie homes” that no one has any incentive to maintain. The new law accelerates the foreclosure process to as little as six months in certain situations, enabling the mortgage servicer in many cases to get possession of the property before it deteriorates and increasing the likelihood it can be rehabilitated and sold.

“No one will be forced out of their home by this law,” Klein emphasized. “There are clear protections to ensure that a property is, indeed, vacant and abandoned.”

In addition to requiring a preponderance of evidence that the mortgage loan is in default, determination that a property is vacant and abandoned requires “clear and convincing evidence” of multiple indicators such as disconnection of utilities; boarded up windows and entrances; vandalism, physical destruction or deterioration of the property; or substantiation that neither an owner nor tenant appears to be residing in the property at the time of an inspection of the property by an appropriate public official or by the mortgagee.

Variations of the fast-track language have worked their way through both houses of the Ohio Legislature since mid-2013. The bill started the last General Assembly as H.B. 223 and, over time, evolved into H.B. 134 and H.B. 463 before being amended into H.B. 390 and passed by both the House and Senate at the end of the spring session in May.

Klein credited the ultimate approval of the fast-track provisions to the efforts of State Sen. Bill Coley (R-Liberty Township), State Rep. Jonathan Dever (R-Madeira) and State Rep. Cheryl Grossman (R-Grove City).

“While we achieved broad understanding of the tremendous need to bring our state’s foreclosure requirements into the 21st century, it was the fortitude of these individuals in particular that eventually resulted in passage of this important legislation,” said Klein. “I



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commend these outstanding legislators and their colleagues for being proactive in the effort to cure community blight.”

The law also includes a number of other provisions designed to protect properties and make the foreclosure process more efficient. For example, it seeks to prevent “trashing” of properties by creating criminal mischief liability for a homeowner who destroys his property after being served with a summons and complaint in a foreclosure action.

### **About Community Blight Solutions**

Community Blight Solutions is focused on understanding, solving and eliminating the problems of communities experiencing blight. Prominent solutions currently include Cleveland’s Slavic Village Recovery Project; SecureView, a window and door system that utilizes clear polycarbonate and offers a practical and attractive alternative to plywood; and advocacy of fast-track foreclosure legislation. The company was founded in 2015 by Robert Klein, who founded Safeguard Properties in 1990 and has developed and maintained a reputation as an innovator and is recognized as an industry pioneer and advocate for the property preservation industry.

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