

Topic: Holding Mortgagees Responsible for Abating Code Violations on Vacant Properties

Issue: Property maintenance issues resulting from vacancies are becoming more prevalent in the current economy due to mortgage default and now plague unincorporated neighborhoods throughout Lake County. Currently, a mortgagee (typically a financial institution) cannot be held responsible until the foreclosure process is complete and the deed is transferred to the mortgagee and recorded. As a result, nuisance violations arising from foreclosure-related vacancies typically do not get resolved for at least several months.

Recommendation: Support legislation to allow counties to hold a mortgagee responsible for failure to maintain or secure vacant property in the unincorporated areas prior to foreclosure deed transfer and recordation. Such legislation would:

- Force financial institutions to become better property stewards (and in turn reduce the incidence of violations and violation-related inspections)
- Help Lake County achieve more prompt compliance, thereby necessitating fewer follow-up inspections and lower administrative costs.

Additional maintenance costs would be borne by mortgagees (typically financial institutions) if this legislation was passed. In 2011, Illinois municipalities have already sought similar powers (HB 1109).