

STATE SENATOR • HANSEN CLARKE • 1ST DISTRICT

Clarke Press Release

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Michigan State AFL-CIO Backs Clarke Bill to Freeze Foreclosures

MI AFL-CIO President joins Clarke in Lansing to support legislation that will protect Michigan citizens during financial crisis

LANSING - Today Sen. Hansen Clarke (D-Detroit) joined Michigan State AFL-CIO President Mark Gaffney and Jerome Reide of the Michigan State Conference NAACP at a press conference to announce the AFL-CIO's endorsement of Clarke's Senate Bill 1306. The bill will establish a two year moratorium on all mortgage and tax foreclosures in Michigan.

"In the midst of a \$700 billion Wall Street bailout, Congress still has no answers for struggling homeowners," said Clarke. "Michigan should take this opportunity to set a positive example for our nation by freezing foreclosures for two years, allowing people to stay in their homes and make reduced payments until they get back on their feet. The Michigan State AFL-CIO is stepping up to support legislation that protects Michigan citizens during the current financial crisis, and I urge state lawmakers to do the same."

Clarke's bill would establish the longest period of foreclosure protection of any state in the country, while also providing important safeguards for the lending industry. During the two-year moratorium period, the property owner is still required to pay, but can make reduced payments while working to stabilize their financial situation. This protects lenders who would not receive any payment otherwise, and keeps citizens in their homes, preventing home vacancy vandalism and stopping property values from further dropping.

"The bill is needed because Congress has, for now, taken this issue of helping people faced with foreclosure off their table, which was wrong for them to do," said Gaffney. "The Federal bailout package, which will commit taxpayers to \$700 billion, will not work without a bill like Sen. Clarke's. I'm pleased to stand with Sen. Clarke today and try to fix on a state level the danger of Michigan residents losing their homes."

Michigan has seen foreclosure rates rise 25% since last year, and boasted one of the highest foreclosure rates in the nation this summer according to a RealtyTrac report. The state has reached the worst foreclosure crisis since the Great Depression, and during the 1930s implemented a moratorium on foreclosures along with 25 other states. The Michigan Moratorium Act was enacted by the legislature and upheld by both the Michigan and United States Supreme Courts. It halted foreclosures for a period of five

years, allowing consumers who were facing foreclosure to keep their homes.

In addition to the MI AFL-CIO, Clarke's bill has the support of Sen. Dennis Olshove (D-Warren) and Sen. John Gleason (D-Flushing), the Michigan State Conference NAACP, the Moratorium NOW! Coalition, Change to Win, Michigan Legal Services, the United Community Housing Coalition, the Legal Aid and Defender Association, Motor City Blight Busters, and members of the Detroit City Council.

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