



**OTOC calls on the Mayor and Omaha City Council to:**

**First, Adopt the proposed Vacant Property Registration Ordinance** that you will consider on final vote this afternoon meeting (Item 49). Many of the responsibilities in the original ordinance dealing with banks have been stripped out. A bill that passed in the 2014 Unicameral at the request of the Nebraska Bankers Association seems to prevent the City of Omaha from adopting a local ordinance that would place registration requirements on banks until they foreclose. So under this **revised** ordinance, financial institutions will only have to register vacant and abandoned properties once they have completed the foreclosure process. Unfortunately, if a bank refuses to foreclose, Zombie mortgages are allowed to continue.

But the revised ordinance still requires property owners with long vacant and deteriorating properties to register. OTOC believes this registration requirement will motivate owners of these ‘worst of the worst’ properties to take action to sell, donate, renovate or demolish their deteriorated properties. We call on the City Council and Mayor to adopt this revised ordinance and put it into effect as soon as possible on the worst offenders in our City.

**Second, Identify the Zombie Mortgages in Omaha: OTOC wants the City of Omaha and County Registrar of Deeds** to develop and make public a list of the houses in the City of Omaha and Douglas County where a notice of default has been filed by a financial institution, the house is vacant and the financial institution has not completed foreclosure after two years. We have tried to gain access to this information as individual citizens and found it a daunting task. We want the City and County to help make this information public. We also want to know how many of the 880 houses on the City of Omaha demolition list have ‘Zombie Mortgages.’ OTOC wants to know if we are spending tax dollars to demolish houses that have deteriorated because banks would not foreclose on them.

**Third, Prevent Zombie Mortgages through Nebraska Foreclosure Law:** OTOC would like to work with the City Council, members of the Unicameral and the Nebraska Bankers Association to change the Nebraska foreclosure law. OTOC wants the Unicameral to assure that financial institutions have an obligation to complete their foreclosure process within a reasonable time—not drag it out for years while allowing a vacant house to deteriorate and become a blight on the community. In July of 2015, the Uniform State Laws Commission proposed a “Uniform Home Foreclosure Act” which provides a mechanism that allows cities to speed up foreclosure on properties that have been abandoned. OTOC believes that this part of the proposed uniform law is worth evaluating for use in Nebraska.