WHEREAS, The mortgage foreclosure crisis deepened after it was disclosed that several large home mortgage lenders utilized procedures that were legally insufficient to support foreclosures; and

WHEREAS, After problems were revealed about the manner in which foreclosure affidavits were processed, the uncertainty about the true ownership of mortgages, and the questionable legal standing of the entities that initiated foreclosure proceedings, 2 of the nation's largest residential lenders announced that they were each beginning a self-imposed mortgage foreclosure moratorium; and

WHEREAS, Although this crisis has its origins in numerous events, practices, and policy decisions, a central element of the foreclosure problem is the Mortgage Electronic Registry System (MERS), an electronic registry of land records which was created in 1998 by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and several large U.S. banks; and

WHEREAS, Today MERS is listed as the agent for mortgage lenders on documents for 65 million home loans, which represent about 60% of the mortgages in the United States, and is the
agent for about 97% of the home mortgages created between 2005 and 2008; and

WHEREAS, Although MERS boasts on its website that it "simplifies the way mortgage ownership and servicing rights are originated, sold and tracked" which "eliminates the need to prepare and record assignments when trading residential and commercial mortgage loans", housing counselors and advocates have documented patterns of abuse and fraud by mortgage servicers that utilized MERS; and

WHEREAS, Joining MERS at the center of the foreclosure crisis is the practice of "robo-signing", the process of generating thousands of affidavits often by unskilled and unqualified employees who neither read nor certified the underlying documents, which are used to obtain summary judgments in foreclosure proceedings; and

WHEREAS, Since a large volume of mortgages were digitized, there have been countless instances of original promissory notes being lost or misplaced; in lieu of producing the original promissory notes in the foreclosure proceedings, servicers simply provided "robo-signed" affidavits that state that the loan servicers own the notes; and

WHEREAS, Court records in mortgage foreclosure cases have
documented egregious examples of: falsified documents; "fee padding"; misapplication of mortgage payments; and improper, unnecessarily expensive insurance assessments, which, in turn, precipitated defaults on otherwise up-to-date loans and wholly improper mortgage foreclosures; and

WHEREAS, The effect of all of these problems and the resulting consumer confusion cry out for a nationwide moratorium on pending and new mortgage foreclosures; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we urge Congress to enact legislation that creates a mortgage foreclosure moratorium to allow a thorough review of foreclosure actions, provide meaningful opportunities for homeowners to renegotiate their mortgages so as to avoid foreclosure, enact further reforms, and allow the entire housing market to return to normalcy; and be it further

RESOLVED, That suitable copies of this resolution be presented to President Barack Obama, the Speaker of the United States House of Representatives, the President pro tempore of the United States Senate, and each member of the Illinois congressional delegation.