

At 08:53 PM 7/1/2008, Robert Klein, CEO wrote:

[Vacant Property Registration](#)

To all:

We will be convening the National Vacant Property Registration (VPR) weekly committee call on: ***Wednesday July 2, 2008 12PM EST.***

Please call **(888) 428-4474**
Call Title: Vacant Property Registration

Please indicate your availability and participation by responding to:
robert.klein1@safeguardproperties.com

Ordinances/Issues to be reviewed:

Chicago Ordinance Overview and Insurance Requirement
Florida (State) proposed VPR
Fairfax County
The City Riverside: meeting update
Riverside County: meeting update
Dallas Ordinance
NYC Ordinance
Rhode Island
St. Paul MN (\$6,000. Registration Fee)
Deutsche Bank
Boston Ordinance
Artistic Boarding Option
U.S. Conference of Mayor Update
Wireless Alarm Update (see below)

Thank you for your participation and active involvement in the working committee

Please feel free to forward to our attention any additional ordinances not listed on the below link:

[Vacant property Registration Listing](#)

Robert (on behalf of Vicki Vidal and the MBA Committee).

Wireless alarm update:

Features :

- * Wireless and battery operated.
- * Uses cell phone technology. Currently T-Mobile is the provider
- * The motion detector covers a radius of 120 degrees out to 32 feet.
- * When motion is detected the device sends a text message indicating an alarm.
- * Trip switches can be installed on all openings in conjunction with the motion detector to send

an alarm when someone enters the property.

- * The motion sensor is easy to install with drywall screws.
- * The system will work on battery power for 6 months to a year depending on the quality of battery used.
- * The system will send a message when the battery is getting low.
- * Programming the device is simple through the use of a lap top computer connection.
- * Vendor can test the unit on site to confirm its sending and receiving.
- * Ability to activate, de-activate & check the status of the device remotely. Currently this would be done through a text message.

Additional features not yet available :

- * Making it web based for updating, testing, reporting, set up and tracking.
- * Adding a GPS unit.
- * Photos.
- * Smoke and moisture detectors.

From: daniel.c.sprehe@jpmchase.com [<mailto:daniel.c.sprehe@jpmchase.com>]

Sent: Tuesday, June 17, 2008 5:06 PM

Subject: Update on Recent Meeting with the Mayor's Office

On Monday, there was a lengthy and productive discussion with the Mayor's Chief of Staff and a top policy person working on the vacant properties issue. It was confirmed the intention of the ordinance was not to impact properties that are secured and properly maintained. The requirements of steel doors and a burglar alarm were only intended to be used as escalation measures. **I expressed a lot of frustration that the Department of Buildings has not been clear about this intention.**

To clarify this intention, the ordinance will be amended to allow the submission upon registration of a "self certification" photo indicating that all windows and doors are locked and secured. If those properties remain secure, maintained, and free of any health/safety violations - there will not be any escalation requirements mandated upon the property.

In addition, I shared that both the Buildings and Police Departments were sending mixed signals that all vacant properties needed to be boarded. Chris Raguso, the Mayor's policy person working on this issue, offered to do a follow-up conference call to clarify that boarding should only be mandated when a building is open (windows broken or missing) or unsecured. Please let me know if you have been given the impression that all vacant buildings need to be boarded, or if you have correspondence reflecting this inaccurate mandate. **The Mayor's representatives were adamant this was not the city's intention and will help clarify this policy. If we have some good examples of the unclear communication on this topic, I would like to schedule a conference call with Chris Raguso and representatives from the companies who have encountered what they perceive as a boarding mandate on all vacant properties.** Please let me know if you have examples and would be will to participate in this call.

We also discussed the wireless alarm technology. I shared that we were still looking into the viability of the technology and didn't think it could be connected to a 3rd party notification system like the police department. The Chief Technology Operations Officer was pulled into the meeting and he said it should be easy to facilitate integration with a wireless signal. We will need an expert in the alarm technology to participate in a conference call on this topic.

We are in the process of reconnecting with a number of the Aldermen to share what was learned at this meeting. In addition, we are awaiting amendatory language to the ordinance. Our next call to discuss updates will be on Thursday, June 19th at 2 p.m.(central) Please use the following call in number:

Dial in: 800-972-9818
Chair: 3871 1728
Participant: 6019 0923

Thanks again for everyone's assistance.

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On Thu, 15 May 2008 09:22:39 -0400 Tim Neumann wrote:
Subject: MBA Vacant Property Registration Ordinances Follow Up Call Tuesday, May 13 Call Summary

Key points of the call discussions:

The loan servicing industry will proactively address any health, safety, securing and maintenance issues in regards to post-sale vacant properties in the City of Chicago. This includes exterior maintenance, debris and health hazard removal, safety issues or any other situations that pose a threat to life, health or safety. This does not include cosmetic repairs, issues required for marketability, or upgrades necessary for the purpose of obtaining a current certificate of occupancy

The loan servicing industries goal is to not register vacant properties. If registration is imposed, the ordinance should have separate pre- vs. post-sale registration requirements. Emphasis was placed on differentiating safety and marketability issues. Servicers are currently addressing safety issues/violations at properties. Servicers are of the opinion that the ordinance should not address marketability issues.

Section 1

13-12-125 Vacant buildings - Owner required to act - Enforcement authority.

Section 1. a. 1.

Servicers object to providing access to city to conduct an exterior and interior inspection of building to determine compliance.

Servicers agree that if they city would like interior access they should file for a break-in order.

Section 1. a. 3.

Servicers object to an increase in the registration fees when renewing the registration if

violations are in place or any provision of the fire/building code is not in compliance.

Servicers feel this section is egregious and will subject them to increased fees as a result of marketability issues. Typically, servicers address safety issues/violations at properties. It is the industries position that this code section will subject them to additional fees for items that do not provide a safety or health risk to the community. Servicers would agree to address all safety issues at property.

Section 2

13-12-135 Minimum requirements for vacant buildings

Section 2. a. 6.

**The industry objects to the requirement that all fences and gates be maintained in sound condition and good repair.
Servicers will maintain the fence/gates if there is a pool/spa or a safety issue present.**

Section 2. b. 3. A

Servicers object to the requirement that exterior windows and doors be equipped with hardware for locking.

Servicers currently utilize bolt boarding that in most cases is more secure than utilizing hardware for locking. This requirement also contradicts other local ordinances in the Chicago area which require bolt boarding.

Additionally, in pre sale, servicers only secure one entrance (door) in order to not deny legal access to the mortgagor.

Section 2. b. 3. C.

Servicers object to the requirement for replacing broken windows.

Servicers are boarding all accessible windows per the city code so it is unclear as to the necessity to replace broken glass.

Section 2. b. 6.

Servicers object to the requirement that stairs or steps being maintained in sound condition. This provides the connotation that cosmetic repairs are required even if there is no safety issue.

Servicers agree to address stairs/steps if there is a safety issue.

Section 2. b. 7.

Servicers object to the requirement that all exit areas have exterior lighting that is on

continuously from dusk to dawn.

Leaving utilities on at vacant properties is not cost effective and will invite squatters/vandals.

Section 2. c. 2.

Portions of the requirements within this sub section pertain to marketability rather than safety issues.

Servicers agree to the requirements that pertain to safety issues.

Section 2. c. 3.

The industry is requesting further explanation as to the requirements regarding the maintenance of plumbing fixtures when no leaks exist. This requirement would necessitate the replacement of all damaged or missing pipes as a result of vandalism or theft.

Current industry standard procedures require that all properties be winterized to protect the property from freezing.

Section 2. d. 1.

This section requires that all doors and windows be secured with steel. It also states that the use of plywood is prohibited.

The steel (VPS) doors invite theft and have been stolen by vandals in the past leaving the property unsecured (and requiring the servicer to reimburse for the installed equipment \$10k). The steel security panels are only produced by one company at the present time requiring a sole source purchase by the industry; greatly increasing the cost necessary to comply. It does not provide any more security than plywood and is not necessary when bolt boarding is performed.

The prohibition in regards to the use of plywood contradicts other sections of the ordinance as well as other jurisdictional requirements in the local Chicago area.

Section 2. d. 5. A.

The industry objects to the requirement for maintaining working burglar alarm system.

This is an expensive requirement as these systems are expensive to install, maintain, require the electricity to be left on. It is the industries position that a vacant property in itself is not a safety issue if properly secured and maintained. Servicers are requesting that this be removed completely.

Please advise if any issues were missed.

Tim Neumann
Manager, Client Liaison

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"Customer Service=Resolution"
Celebrating 18 years of Safeguarding Our Clients' Interests.

From: Michael Halpern, Manager, VM Special Projects
Sent: Sunday, May 11, 2008 1:40 AM
Subject: MBA Vacant Property Registration Ordinances Follow Up Call Friday, May 9 @3:00PM(EST)
Importance: High

Key points

- CMC and BOA will continue to take the lead with the City of Chicago
- The Illinois Bankers Association (IBA) is willing to work together to address the proposed ordinance
- Significant discussion was given to the wording in the ordinance which does not clearly define "owner". Some segments of the building code imply the mortgagee may be considered the owner while other segments seem to indicate the mortgagee as a separate entity.
- The current Milwaukee ordinance is for post-sale properties and in general appears to be a workable ordinance. Concerns were raised regarding proposing to Chicago a copy of a different City's ordinance. Milwaukee is currently working on a pre-sale ordinance
- Robert stressed the importance of differentiating between pre and post sale when proposing a model ordinance
- It was suggested that Servicers should submit correspondence to the aldermen on how they are currently addressing vacant properties and their concerns with the ordinance
- It is believed that the aldermen are frustrated with not knowing who to contact at the servicers
- REO Servicers are not willing owners and a differentiation on property condition standards should be made between a typical owner and a REO owner.
- The follow up meeting with the Chicago Aldermen and building dept will be held Friday May 16th at 10:30a CST. Representatives from Aurora, Freddie Mac and 1st Preston have agreed to attend.
- A liaison in the Building Dept will improve communications
- The Demolition list should be posted on the web and updated as needed

A follow up call will be convened on Tuesday May 13th at 3pm EST. Vicki will distribute the call-in number

Robert will provide an overview of the current industry procedures pertaining to exterior property maintenance i.e. debris removal, grass cuts, boarding

Robert will provide each of the Aldermen a copy of the Servicer Contact sheet housed on the MBA website

Daniel Sprehe will provide the IBA with a list of concerns with the ordinance, differentiating between pre and post sale.

Ann Lewis will provide a short paragraph regarding providing additional clarification on the closing documents that liabilities are passed to the new owner