



# TACIR

The Tennessee Advisory Commission  
on Intergovernmental Relations



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## MEMORANDUM

**TO:** Commission Members

**FROM:** Lynnise Roehrich-Patrick   
Executive Director

**DATE:** 11 June 2014

**SUBJECT:** Foreclosure and Blight

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The attached Commission report is submitted for review and comment. Prepared at the request of Senator Kyle, the report includes information on how the protracted foreclosure process is affecting local governments' ability to remedy blight and reviews strategies that are being used in Tennessee and other states to assist in the redevelopment of these areas. Tennessee and its local governments have already taken a number of generally effective steps to prevent and address the blight problems associated with the high number of foreclosures, including

- providing monetary assistance to homeowners facing foreclosure so they can keep their homes,
- counseling homeowners on how to keep their homes,
- rehabilitating and reselling vacant foreclosed properties, and
- requiring owners to maintain vacant foreclosed properties.

Memphis is also trying an approach new to Tennessee. In 2013, the city established a registry for property that is vacant, abandoned, and tax delinquent. The registry is too new to evaluate its effectiveness, but is similar to registries implemented by cities in other states. Additional strategies implemented in other states include mediation programs to reduce the number of foreclosures, bond requirements to ensure that loan servicers maintain properties in foreclosure, and condemning mortgages through eminent domain; the report does not recommend adopting these strategies.

Finally, the report notes that lowering Tennessee's time to foreclose would not be helpful because the foreclosure period is already one of the lowest in the country, and such an effort would be at cross-purposes with federal efforts focused on keeping people in their homes and legal settlement requirements placed on banks.