

Minnesota Tenants Union

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Dear Sirs and Madams:

Re: Responsible Mortgage Holder's Home Maintenance and Neighborhood Stabilization Policy

We are contacting you, the local representatives of **Mortgage Electronic Registration Systems, Inc. (MERS)**, mortgagee of property owned by Rosemary Williams, mortgagor, of her home located at 3138 Clinton Avenue South, Minneapolis, MN 55408.

We the undersigned are representative of the growing community of concern about the foreclosure crisis and the particular role of foreclosers like MERS in exacerbating that crisis. We are neighbors, community members, and organizations who have a deep interest in maintaining Rosemary Williams, and others similarly situated, in their homes beyond the termination of the redemption periods currently applicable to their dwellings.

In this letter, we outline a proposal for your client, the holder of Ms. Williams' mortgage, **Mortgage Electronic Registration Systems, Inc.** We request that you immediately submit this proposal to your client for consideration.

Profile of the Foreclosure Crisis in Minnesota

Minnesota Foreclosure Data

This table provides a summary of foreclosures for 2005-2008 in Minnesota.

Region	2005 Foreclosures	2006 Foreclosures	2007 Foreclosures	Q1 2008 Foreclosures	Q2 2008 Foreclosures	Q3 2008 Foreclosures	2008 Foreclosures (Projected)*
Twin Cities Metro	3,759	7,039	12,974	4,213	4,853	4,268	18,019
Greater MN	2,707	4,168	7,430	2,175	2,414	2,175	9,426
Minnesota	6,466	11,207	20,404	6,388	7,267	6,443	27,445

*2008 Foreclosures (Projected) numbers are based on Q1-Q3 2008 actual foreclosure counts
<http://www.housinglink.org/Foreclosure.htm>.

It does not take a great mathematician to see that the foreclosure waters have been rising at a swift and unprecedented rate over the past four years. With this track record, what will 2009 bring? More foreclosures, more evictions, more loss of housing stock and tax base. More destabilized neighborhoods. More disrupted lives. More pain and suffering. As an active forecloser in Minnesota, we believe the consequences of your actions should concern you.

The foreclosure crisis in Hennepin County has been particularly acute, most especially in north and south Minneapolis where MERS has been an active forecloser, including the forecloser of Ms. Williams' home. A recent study prepared by Professor Ryan Allen (Center for Urban and Regional Affairs Housing Forum - February 20, 2009) graphically illustrates the hardships that foreclosers are visiting upon minority neighborhoods, families, and children in north and south Minneapolis. Copies of relevant graphs are attached.

Fannie Mae Points the Way: Will MERS Become Part of the Solution?

On January 13, 2009, Fannie Mae, the government-controlled U.S. mortgage finance company, announced a new policy that will allow tenants to remain in their homes and avoid eviction even if the building's landlord goes into foreclosure. Fannie Mae said it now plans to sign new leases with rent-paying tenants living in the single- and multi-family foreclosed dwellings owned by the company. Subsequently on March 5, 2009, Freddie Mac announced adoption of a similar policy. http://www.freddie.com/news/archives/servicing/2009/20090305_reo-rental-initiative.html.

Proposal

We invite MERS to adopt post-foreclosure policies similar to what Fannie Mae initiated in mid-January 2009. See the attached **Responsible Mortgage Holder's Home Maintenance and Neighborhood Stabilization Policy**.

MERS at the Cross Roads: Responsible Neighbor or Foreclosing Machine?

On its website, MERS lists the beneficiaries of its operation:

Beneficiaries of MERS include mortgage originators, servicers, warehouse lenders, wholesale lenders, retail lenders, document custodians, settlement agents, title companies, insurers, investors, county recorders and consumers.
<http://www.mersinc.org/about/index.aspx>

Conspicuously absent from that list of beneficiaries of your work are the neighborhoods in which you operate, the taxpayers of the cities in which you actively foreclose, and the children and families subject to eviction in properties you foreclose. We believe that these human impact concerns are vital to any corporation's operation in the public interest.

Having experienced the massive negative impacts of foreclosures, including shuttered properties, evicted residents, disrupted school children, growing homelessness, dwellings left open to vandalism, deterioration, and crime, we also notice the absence from your website of any acknowledgment of the negative consequences of your foreclosure activities: the nuisance properties, declining neighborhood livability and home values, and the disrupted lives resulting from these foreclosures.

This can change with the adoption of the attached **Responsible Mortgage Holder's Home Maintenance and Neighborhood Stabilization Policy**. As one of the most active foreclosers in Minnesota, MERS is in a good position to show leadership in this crisis by setting a good example for other foreclosers.

Leadership on this issue will give MERS justifiable news to report at the **MERS 2009 User Conference**, June 22 and 23, 2009 in Reston, VA.

Our Special Concern for Rosemary Williams, Long-Time South Minneapolis Resident

Rosemary Williams is a third generation resident of South Minneapolis. Ms. Williams and her family have lived in Central Neighborhood for 55 years. A graduate of old Central High School, Ms. Williams has devoted her life to raising her family, community development, and service of others. An active participant in her neighborhood block club, church, and other community activities, Ms. Williams has been a generous and important contributor to her neighborhood's sense of identity and cohesiveness. A precinct delegate active in the campaign to elect President Obama, Ms. Williams helped organize a busload of seniors, youth, and community people to attend the historic inauguration in Washington, DC.

Conclusion

We are unwilling to stand aside and see her and others swept away, our neighborhoods eroded, and children disrupted by foreclosers that do not follow the responsible path of maintaining occupants in their foreclosed dwellings. Besides being the right thing to do for the people, the neighborhood, and the city tax rolls, this is also the prudent thing to do if you have an interest in maintaining the value of your mortgage residential property against copper-strippers and other feature looters.

Please confirm that you have submitted this proposal to R.K. Arnold, President & CEO of MERS and direct the response of MERS, authorized by its President and CEO, R.K. Arnold, in writing to Peter Brown, a neighbor of Ms. Williams authorized to receive this response, by mail at 3121 Portland Avenue South and by e-mail (peterb3121@hotmail.com) by the close of business Thursday, March 19, 2009

Sincerely,

Donjia Johnson, President
Minnesota Tenants Union

Bruce Nestor, President
National Lawyers Guild – Minnesota Chapter

Henrietta Faulconer
Northside Neighbors for Justice

Rev. Marchelle Hallman
St. James A.M.E. Church – Minneapolis

Cheri Honkala, Lead Organizer
Poor Peoples Economic Human Rights Campaign

Bret Thiele, Litigation Director
Center on Housing Rights and Evictions

cc: R.K. Arnold, President & CEO
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