

**RESOLUTION NO. 20160901-028**

**WHEREAS**, owning a home is an important tool for families to accumulate wealth and transfer intergenerational wealth; and

**WHEREAS**, mortgage fraud may result in a family losing significant wealth they would have otherwise accumulated; and

**WHEREAS**, the U.S. Department of Housing and Urban Development reports that when low-income, minority families transition from being homeowners to being renters, only 37% return to being homeowners; and

**WHEREAS**, Texas Rio Grande Legal Aid reports a recent incident in which a group of unlicensed residential mortgage loan originators, operating in violation of the Texas SAFE Act and targeting primarily low-income, minority, and Spanish-speaking residents, issued a series of subprime loans which were not disclosed as wrap-around mortgages, but the victims had little knowledge of where or how they could find legal recourse; and

**WHEREAS**, legal recourse for Austin residents who are victims of mortgage fraud is difficult to secure because civil and criminal remedies are distributed unevenly between local government entities and state agencies; and

**WHEREAS**, under Texas Business & Commerce Code 27.015, which became effective September 1, 2015, the City has the authority to request permission from the Texas Attorney General's Office to bring civil legal claims for deceptive trade practices related to real estate, as well as a legal obligation to assist the Office of the Attorney General's Consumer Protect Division on such matters upon the Attorney General's request; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Manager is directed to develop recommendations for coordinating efforts between the appropriate jurisdictions, which could include the City of Austin's Law Department, Austin Police Department Financial Crimes Unit, Travis County District Attorney's Office, the Attorney General of Texas' Consumer Protection Division, and the Texas Department of Savings and Mortgage Lending, for more strategic use of applicable criminal and civil penalties when Austin residents become the victims of mortgage fraud.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to identify resources available to victims of mortgage fraud from local government entities, state agencies, and nonprofit organizations.

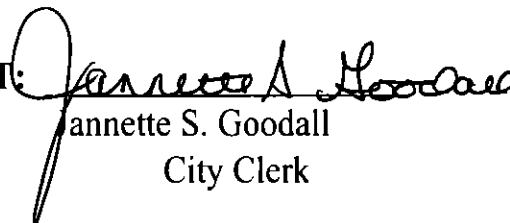
**BE IT FURTHER RESOLVED:**

The City Manager is directed to present recommendations to Council for creating or improving a central point to provide the public with guidance, which could include receiving, evaluating, and referring complaints of mortgage fraud in coordination with other government agencies or organizations also capable of counseling or providing resources to victims of mortgage fraud.

**BE IT FURTHER RESOLVED:**

The City Manager will report on progress to the Council within 90 days.

**ADOPTED:** September 1, 2016

**ATTEST:**   
Jannette S. Goodall  
City Clerk