

PENDING LEGISLATION MAY MAKE FORECLOSURES MORE CHALLENGING FOR LENDERS

As reported in the Milwaukee Journal Sentinel, State Rep. Evan Goyke (D-Milwaukee) introduced five bills designed to alleviate what Rep. Goyke considers ongoing problems arising from the housing crisis that began in 2008. Lenders and their counsel would be wise to pay careful attention to a number of the bills in the package, as they could, if passed in to law, significantly affect future foreclosure actions.

Of particular concern to lenders is the proposal to require a plaintiff filing a foreclosure action to post a \$15,000 demolition bond with the clerk of courts of the county in which the property is located. If the property in question must be demolished, the \$15,000 would be applied to the cost of the demolition. Additionally, the \$75 filing fee currently associated with a foreclosure action would be increased by \$50. This fee increase would be used to install lighting at existing abandoned homes. Another bill in the package would give municipalities and lenders the right to enter foreclosed properties to address any potential problems. It is uncertain whether the bill is intended to create a requirement to do so.

Copies of the legislation can be read [here](#). Further information about these bills, and the other bills included in the package, as well as the impact they may have on the decision to bring a foreclosure action, can be obtained by contacting any member of our firm's [Creditors' Rights Practice Group](#).