

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisors John Tavaglione **SUBMITTAL DATE:** August 28, 2012

SUBJECT: Support for HR 5823, "Saving Taxpayers from Unnecessary Bulk Sale Program Act of 2012", Miller, R-Diamond Bar.

RECOMMENDED MOTION: That the Board of Supervisors directs:

- 1.) The County Executive Officer to inform county representatives in Washington, D.C. to express county support of HR 5823.
- 2.) That the County Executive Officer inform the county representative in Sacramento that we are in support of HR 5823 and respectfully request the county delegation in the Senate and the Assembly to support this bill with a joint resolution.
- 3.) That the County Executive Officer designate county team members, at his discretion, to work for passage of this bill and advocate for its passage as needed.
- 4.) The County Executive Officer will also seek support of HR 5823 from CVAG, WRCOG, regional economic development organizations, chambers of commerce, and each of our 28 incorporated cities.

BACKGROUND: HR 5823 will stop plans in progress by Fannie May to bundle foreclosed properties for sale to institutional investors. Fannie Mae proposes to require the purchasers of these bundled Real Estate owned "REO" properties to turn them into rental properties for a period believed to be 3 to 5 years. This proposal, which is moving forward at a rapid pace, must be stopped to preserve home values in our county and across this state. The county will be joined in opposing this plan by the California Association of Realtors and the Inland Valley Association of Realtors. HR 5823 is currently in the Financial Services Committee and was recently sent to the Subcommittee on Capital Markets and government-sponsored enterprises. Should Fannie Mae be successful in bundling these homes for sale to institutional investors, property values in our region will be negatively impacted which is unacceptable when we have already seen home values plummet during this Great Recession.



John Tavaglione
Supervisor, Second District