

## Chapter 179 - MORTGAGE FORECLOSURE REGISTRATION

### Sec. 179.101. - Purpose and intent.

It is the purpose and intent of this Chapter to establish a process to limit and reduce the deterioration of property located within the City of Jacksonville, which property is in mortgage foreclosure or where mortgage foreclosure is threatened or imminent, or where ownership has been transferred to a lender or Mortgagee by any legal method. It has been determined that owner-occupied structures are generally better maintained when compared to vacant structures, even with a diligent off-site property owner, or structures that are primarily rental. Vacant structures or structures owned by individuals who are economically strained and unable to meet their mortgage obligations are often not properly or diligently maintained, which contribute to blight, arrest property values, and have a negative impact on social perception of the residential areas where they are located. It is a further intent of this Chapter to establish a registration program as a mechanism to help protect neighborhoods from becoming blighted through the lack of adequate maintenance of properties that are in Default or Defaulted, to help identify areas that may become blighted due to foreclosure trends in geographic areas of the City and to provide a mechanism to avert foreclosure actions through timely intervention, education or counseling of property owners.

(Ord. 2010-327-E, § 2; Ord. 2018-104-E, § 1)

### Sec. 179.102. - Definitions.

The following words, terms and phrases, when used in this Chapter, shall have the meanings ascribed to them, except where the context clearly indicates a different meaning. Where the context will permit and no definitions are provided herein, the definitions provided in the Florida Building Code shall apply.

*Annual Renewal* shall mean the requirement for the Mortgagee to renew the registration of the Defaulted property in the Foreclosure Registry while the property remains in Default or while title to the property remains with the Mortgagee when such title was granted to the Mortgagee to resolve the Foreclosure Action. Annual Renewals shall be done 12 months from the date of the initial registration, as determined by the City of Jacksonville's Neighborhoods Department, or its designee, and every subsequent 12 months the property remains in Default or while title to a property remains with the Mortgagee when such title was granted to the Mortgagee to resolve the Foreclosure Action. The date of the initial registration may be different than the date of the first action that required registration.

*City* or *City of Jacksonville* means the First Urban Services District, and shall not mean the Second, Third, Fourth or Fifth Urban Services Districts.

*Default* or *Defaulted* means a claim by a Mortgagee, that the mortgagor has not complied with the terms of the mortgage on the property or other evidence of the debt referred to in the mortgage, as evidenced by the initiation of a Foreclosure Action.

*Enforcement Officer* means any fulltime law enforcement officer, building official, fire inspector or code enforcement officer employed by the City of Jacksonville.

*Evidence of Vacancy* means any condition that on its own, or combined with other conditions present, would lead a reasonable person to believe that the property is Vacant. Such conditions may include, but are not limited to: overgrown and/or dead vegetation; electricity, water or other utilities turned off; stagnant swimming pool; or statements by neighbors, passers-by, delivery agents or government agents.

*Foreclosure or Foreclosure Action* means the legal process by which a Mortgagee terminates or attempts to terminate a property owner's equitable right of redemption to object legal and equitable title to the real property subject to the lien held by that Mortgagee. The legal process is not concluded until title to the property is transferred to a third party either before or after certificate of title or until the legal process is dismissed.

*Foreclosure Registry* means a web-based electronic database of searchable real property records, used by the City of Jacksonville to allow Mortgagees the opportunity to register Defaulted properties and pay applicable fees as required in this Chapter.

*Mortgagee* means the creditor, including but not limited to, trustees; servicing companies; lenders; any agent, servant or employee of the creditor; any successor in interest; or any assignee of the creditor's rights, interests or obligations under the mortgage agreement, or any other person or entity with the legal right to foreclose on the real property, excluding properties owned by the City, State of Florida and any federal agency or entity but not including Fannie Mae and Freddie Mac.

*Owner* means every person, entity, or Mortgagee, who alone or severally with others:

- (a) Has legal or equitable title to any dwelling, dwelling unit, mobile dwelling unit, residential building, residential structure, residential parcel of land, Vacant or otherwise, including but not limited to, a mobile home park; or
- (b) Has legal care, charge or control of any dwelling, dwelling unit, mobile dwelling unit, residential building, residential structure or residential parcel of land, Vacant or otherwise, including a mobile home park, in any capacity, including but not limited to, agent, executor, executrix, administrator, administratrix, trustee or guardian of the estate of the holder of legal title; or
- (c) Is a Mortgagee in possession of any such property, or is a Mortgagee with actual control of access to the property by any means including, but not limited to, changing locks or putting on a lock box; or
- (d) Is an agent, trustee or other person appointed by the courts and vested with possession or control of any such property.

The Property Manager shall not be considered the Owner.

*Property Manager* means any party designated by the Owner as responsible for inspecting, maintaining and securing the property as required in this Chapter.

*Vacant or Vacancy* means any building, structure or property that is not lawfully occupied.

(Ord. 2010-327-E, § 2; Ord. 2015-340-E, § 2; Ord. 2018-104-E, § 1)

#### Sec. 179.103. - Applicability and jurisdiction.

This Chapter applies to Defaulted property located within the City of Jacksonville. This Chapter does not apply to the Second, Third, Fourth or Fifth Urban Service Districts.

(Ord. 2010-327-E, § 2; Ord. 2018-104-E, § 1)

#### Sec. 179.104. - Inspection and registration of Defaulted property by Mortgagee holding mortgages in Default.

The fees listed below can be found electronically on the following City of Jacksonville webpage: [www.coj.net/fees](http://www.coj.net/fees).

- (a) Any Mortgagee who holds a mortgage on real property located within the City of Jacksonville shall

perform an inspection of the property upon it being in Default or Defaulted by the mortgagor or prior to the issuance of a notice of default.

- (b) Property inspected pursuant to subsection (a) above that remains in Default or Defaulted, shall be inspected every 30 days by the Mortgagee or Mortgagee's designee.
- (c) Within ten days of the date any Mortgagee declares its mortgage to be in Default or Defaulted, the Mortgagee shall register the real property with the City of Jacksonville's Foreclosure Registry, and at the time of registration, indicate whether the property is Vacant, and if so shall designate in writing a Property Manager to inspect, maintain and secure the real property subject to the mortgage in Default or Defaulted. A separate registration is required for each Defaulted property.
- (d) Initial registration pursuant to this section shall contain at a minimum the name of the Mortgagee, the mailing address of the Mortgagee, e-mail address, telephone number and name of the Property Manager and said person's address, e-mail address, and telephone number.
- (e) At the time of initial registration each registrant shall pay a non-refundable annual registration fee for each Defaulted property. Subsequent Annual Renewals of Defaulted properties and fees are due within 30 days of the expiration of the previous registration. Said fees shall be used to offset the costs of (1) registration and registration enforcement, (2) code enforcement and mitigation related to Defaulted properties, (3) post-closing counseling and foreclosure intervention limited to owner-occupied persons in Default, which may not include cash and mortgage modification assistance, and (4) for any related purposes as may be adopted in the policy set forth in Section 179.110 below. Said fees shall be deposited to a special account in the Neighborhoods Department dedicated to the cost of implementation and enforcement of this ordinance, and fulfilling the purpose and intent of this Chapter, consistent with the policy adopted by the Neighborhoods Department in Section 179.110, and any registries so required. None of the funds provided for in this section shall be utilized for the legal defense of foreclosure actions.
- (f) Beginning on July 1, 2015, each individual property on the Foreclosure Registry that has been registered for 12 months or more prior to that date shall have 30 days to renew the registration and pay the annual renewal fee. The anniversary date for annual renewal of registration for these properties shall be deemed to be July 1 each subsequent year. Properties registered less than 12 months prior to July 1, 2015 shall use the date of initial registration as their annual renewal date and shall pay the fee on the anniversary of the initial registration each subsequent year.
- (g) If the mortgage on a Defaulted property is sold or transferred, within ten days of the transfer or sale, the new Mortgagee shall update the existing registration and shall be responsible for all required renewals and updates during the new Mortgagee's involvement with the Defaulted property. The previous Mortgagee will not be released from the responsibility of paying all previous unpaid fees and fines accrued during that Mortgagee's involvement with the Defaulted property. The provisions of this section are cumulative with and in addition to other available remedies. Moreover, the Director of the Neighborhoods Department or his or her designee is authorized and empowered to refer the previous Mortgagee's non-payment of previous fees and fines to the Special Magistrate or a court of competent jurisdiction for enforcement.
- (h) If the Mortgagee sells or transfers the Defaulted property in a non-arm's length transaction to a related entity or person, the transferee is subject to all the terms of this Chapter, and within ten days of the transfer, shall register the Defaulted property or update the existing registration. The previous Mortgagee will not be released from the responsibility of paying all previous unpaid fees and fines accrued during that Mortgagee's involvement with the Defaulted property. The provisions of this section

are cumulative with and in addition to other available remedies. Moreover, the Director of the Neighborhoods Department or his or her designee is authorized and empowered to refer the previous Mortgagee's non-payment of previous fees and fines to the Special Magistrate or a court of competent jurisdiction for enforcement.

- (i) If the Defaulted property is not registered or either the registration fee or the Annual Renewal fee is not paid within 30 days of when the registration or Annual Renewal is required pursuant to this section, a late fee per property shall be charged for each month the registration or Annual Renewal remains unpaid or unregistered/renewed during that registration period. This section shall apply to the initial registration and registrations required by subsequent owners of the Defaulted mortgage and/or Defaulted property.
- (j) This section shall also apply to properties that have been the subject of a foreclosure sale where title is transferred to the Mortgagee as well as any properties transferred to the Mortgagee under a deed in lieu of foreclosure or by any other legal means.
- (k) Properties subject to this section shall remain subject to the Annual Renewal requirement, and the inspection, security, and maintenance standards of this section as long as the mortgage is under foreclosure or in Default or Defaulted.
- (l) Failure of the Mortgagee and/or property owner of record to properly register or to modify the registration to reflect a change of circumstances as required by this ordinance is a violation of this Chapter and shall be subject to enforcement by any of the enforcement means available to the City of Jacksonville.
- (m) Pursuant to any judicial finding and determination that any property is in violation of this Chapter the City may take the necessary action to ensure compliance with and place a lien on the property for the cost of the outstanding obligation and any additional cost incurred to bring the property into compliance.

(Ord. 2010-327-E, § 2; Ord. 2011-371-E, § 6; Ord. 2013-209-E, § 40; Ord. 2015-340-E, § 2; Ord. 2017-665-E, § 12; Ord. 2018-104-E, § 1)

#### Sec. 179.105. - Maintenance requirements.

Properties subject to this Chapter shall be maintained in accordance with the City's property safety standards found in Chapter 518, Ordinance Code.

(Ord. 2010-327-E, § 2)

#### Sec. 179.106. - Security and additional maintenance requirements.

- (a) Properties subject to this Chapter shall be maintained in a secure manner so as not to be accessible to unauthorized persons.
- (b) A "secure manner" shall include, but not be limited to, the closure and locking of windows, doors, gates and other openings of such size that may allow a child or adult to access the interior of the property and/or structure. Broken windows shall be secured by reglazing or boarding. Vacant properties shall be secured in the manner provided in Ch. 518, Ordinance Code, for securing properties.
- (c) If a Defaulted property becomes Vacant, a Property Manager shall be designated by the Mortgagee to perform the work necessary to bring the property into compliance with the Ordinance Code and the Property Manager must perform regular inspections to verify continued compliance with the requirements of this section, and any other applicable laws or ordinances of the City of Jacksonville. This obligation shall remain in effect while the property remains under the control of the Mortgagee.

- (d) When a property subject to this Chapter becomes Vacant, it shall be posted with the name and 24-hour contact telephone number of the Property Manager. The Property Manager shall be available to be contacted by the City Monday through Friday between 9:00 a.m. and 5:00 p.m., legal holidays excepted. The sign shall be placed in a window facing the street and shall be visible from the street. The posting shall be no less than 18 inches by 24 inches and shall be of a font that is legible from a distance of 45 feet. The posting shall contain the following language with supporting information:

THIS PROPERTY IS MANAGED BY \_\_\_\_ .

AND IS INSPECTED ON A REGULAR BASIS.

THE PROPERTY MANAGER CAN BE CONTACTED

BY TELEPHONE AT \_\_\_\_

OR BY EMAIL AT \_\_\_\_ .

- (e) The posting required in subsection (d) above shall be placed on the interior of a window facing the street to the front of the property so that it is visible from the street, or secured to the exterior of the building/structure facing the street to the front of the property so that it is visible from the street or if no such area exists, on a stake of sufficient size to support the posting in a location that is at all times visible from the street to the front of the property but not readily accessible to vandals. Exterior posting shall be constructed of and printed with weather-resistant materials.
- (f) Failure of the Mortgagee and/or property owner of record to properly inspect and secure a property subject to this Chapter, and post and maintain the signage noted in this section, is unlawful and a Class C violation and shall be subject to enforcement by any of the enforcement means available to the City of Jacksonville. Pursuant to a finding and determination, the City of Jacksonville may take the necessary action to ensure compliance with this section, and recover costs and expenses in support thereof.
- (g) In addition to the late fees authorized in Section 179.104(i), above, failure of the Mortgagee to register a property pursuant to this Chapter or for any other violation of this Chapter shall also authorize the City to impose a civil penalty in the amount up to \$500 against the Mortgagee for each offense, with each day the violation is allowed to continue constituting a separate offense. Upon written notice of noncompliance from the City or its designee, the Mortgagee shall have 30 days from the date of the notice of noncompliance to register the Defaulted property and pay the registration fee and any additional fees or costs (such as any accrued late fee or costs and expenses incurred by or on behalf of the City to abate code violations) or correct any other violation of this Chapter. If the Mortgagee fails to timely register the Defaulted property and make these payments within the time allotted above, the City, through its Neighborhoods Department staff, shall be authorized to pursue enforcement against the Mortgagee or any other responsible party through the Special Magistrate/Code Enforcement Board process or by initiating an action in the appropriate jurisdictional court to collect the penalties, fees and expenses authorized in this Chapter. In any court action, the City shall be authorized to recover its reasonable attorney's fees and costs expended in establishing the violation. The provisions of this section are cumulative with and in addition to other available remedies.

(Ord. 2010-327-E, § 2; Ord. 2015-340-E, § 2; Ord. 2018-104-E, § 1)

Sec. 179.107. - Additional authority.

- (a) If a City Code Enforcement Officer has reason to believe that a property subject to the provisions of this Chapter is posing a serious threat to the public health safety and welfare, the Code Enforcement Officer may bring the violations before the City's Code Enforcement Board or Code Enforcement Special Magistrate, or a

court of competent jurisdiction as soon as possible to address the conditions of the property. Nothing herein shall limit the City from abating any nuisance or unsafe condition by any other legal means available to it.

- (b) If there is a finding that the condition of the property is posing a serious threat to the public health safety and welfare, then the Code Enforcement Board or Code Enforcement Special Magistrate or a court of competent jurisdiction may direct the City to abate the violations and charge the Mortgagee with the cost of abatement.
- (c) If the Mortgagee does not reimburse the City for the cost of abatement within 30 days of the City sending the Mortgagee the invoice, then the City may lien the property with the cost of abatement, along with an administrative fee of as found in [www.coj.net/fees](http://www.coj.net/fees), to recover the administrative personnel services.

(Ord. 2010-327-E, § 2; Ord. [2017-665-E](#), § 12; Ord. [2018-104-E](#), § 1)

#### Sec. 179.108. - Provisions Supplemental.

Nothing contained in this Chapter shall prohibit the City of Jacksonville from enforcing its codes by any other means, including, but not limited to, injunction, abatement or as otherwise provided by law or ordinance.

(Ord. 2010-327-E, § 2)

#### Sec. 179.109. - Penalties.

Unless otherwise provided for in this Chapter, a violation of this Chapter is declared unlawful and shall be a Class B offense.

(Ord. 2010-327-E, § 2; Ord. [2018-104-E](#), § 1)

#### Sec. 179.110. - Adoption of policy and rules and regulations; declaration of municipal purpose.

The Neighborhoods Department is authorized and empowered to adopt any policies, rules and regulations necessary, and expend funds as may be reasonably necessary and available to carry out the terms of this Chapter, the expenditure of such funds having been declared a proper public purpose herein.

(Ord. [2015-340-E](#), § 2; Ord. [2018-104-E](#), § 1)

#### Sec. 179.111. - Monitoring and compliance.

The City fees collected in the Foreclosure Registry shall be deposited in sub fund 1N1. Council shall authorize all appropriations from the sub fund. The Neighborhoods Department shall commit to tracking expenses for funds authorized in subsection [179.104\(e\)](#), and shall concurrently submit annual reports to the Council Auditor's Office and the Finance Committee. The expenditures from the Foreclosure Registry shall be tracked allocating those funds to show how the funds were requested, issued, and used. Such detail shall be in accordance with instructions provided by the Council Auditor's Office. The annual reporting of activity will provide the ability to substantiate the appropriate use of the Foreclosure Registry fees with the first report made available sixty days after fiscal year end.

(Ord. [2015-340-E](#), § 2; Ord. [2018-104-E](#), § 1)

#### Sec. 179.112. - Auditing Rights; Inspection of Books and Records; Monthly and Annual Reports.

If the City selects a vendor to administer the provisions of this Chapter through a contractual arrangement, the following auditing provisions shall apply to the selected vendor and shall be included in the contract with the vendor. The Neighborhoods Department and the City Council Auditors, shall have the right, during normal business hours, to enter the vendor's business property, upon reasonable prior notice, to inspect the operations and facilities of the vendor and to audit, inspect and examine the vendor's books and records and state and federal tax returns, insofar as they relate to compliance with the contractual provisions, this Chapter and any rules adopted by the Neighborhoods Department pursuant hereto. This information shall include, but not be limited to, the following: billing rates, billing amounts, accounts receivable and list of accounts. Additionally, the City Council Auditors may communicate directly with customers (Mortgagees in this case) for the purpose of confirming compliance with this Section. To the extent authorized by any, or other applicable law, this information shall remain confidential. Refusal to permit inspection shall be cause for suspension or revocation of the vendor contract. The vendor shall deliver to the Neighborhoods Department a true and correct monthly report of gross receipts generated during the previous month for all registrations, fees, and penalties within the City on or before the last day of each month. The vendor shall, on or before 90 days following the close of the City's fiscal year, deliver to the Neighborhoods Department a statement of its annual gross receipts generated from accounts within the City reflecting gross receipts within the City for the preceding City fiscal year. The statement shall be audited by an independent certified public accountant licensed to do business in the state, and shall be accompanied by the certified public accountant's opinion of its accuracy without qualifications or reservations.

(Ord. 2015-340-E, § 2; Ord. 2018-104-E, § 1)