

# FORECLOSURES & VACANT PROPERTIES



√ **Information**    √ **Assistance**    √ **Maintenance**

## Foreclosures Affect Everyone

Foreclosures have been increasing at an alarming rate throughout the nation and the City of Burnsville is experiencing their own share of these foreclosures. Not only are property owners affected by these, but it can also lead to an increase in crime, exposure to environmental health concerns, and additional blight from lack of maintenance on these homes.

Efforts are being made to provide healthy housing markets through increased cooperation of agencies as well as new legislation on state and national levels. Along with these initiatives, elected officials and city staff are working to manage issues related to foreclosures.

### Reasons for Foreclosure

Foreclosures occur for many reasons including risky types of mortgages, deceitful mortgage companies, and personal crises such as medical issues or loss of employment. Regardless of the reason, it is important to ***address financial problems immediately*** to allow more options and time for corrections to avoid foreclosure.



### What is Foreclosure?

Foreclosure is a legal proceeding in which a lender takes possession of the property, usually due to default, to recover the amount owed on a loan by the borrower. The lender will file a public default notice after the borrower misses loan payments. The foreclosure process generally takes months and may end as follows:

- The borrower may pay the defaulted loan amount or negotiate with the lender to reinstate the loan during the grace period. (Pre-foreclosure, prior to sheriff's sale)
- The borrower may sell the property to a third party during the pre-foreclosure period, pay off the loan and avoid having a foreclosure on their credit history.
- A third party may buy the property at a public auction.
- The lender may take ownership of the property, often to re-sell it. The lender may retrieve the property from the borrower during pre-foreclosure or buy back the property at the public auction. Mortgage companies may use a property management company to control the property until it is sold.



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# FORECLOSURES & VACANT PROPERTIES

## PREVENTING FORECLOSURE-

Foreclosures affect everyone and we must work together to prevent foreclosures by informing citizens of resources available to them, identifying potential problem properties in the neighborhood, and working to maintain and build stronger, safer communities.

## YOU CAN HELP PREVENT FORECLOSURES BY...

- **Getting assistance** or help right away if you are having financial difficulties. Delaying decisions or response to money troubles will leave you with fewer choices. Contact your mortgage company to discuss loan and/or payment options.
- **Referring someone** who is having trouble making mortgage payments or paying bills to an agency that can help. *Foreclosure Resources* section lists possible agencies.
- **Avoiding risky mortgages** that may not work for you in the long run such as all interest loans, balloon mortgages, and adjustable rates. Do not purchase or refinance a home until you learn about the different types of mortgages available and the risky ones to avoid.
- **Providing Information** about foreclosures in your homeowner association or Neighborhood Watch mailers or newsletters.

## AVOIDING FORECLOSURE RESCUE SCAMS

Losing a home to foreclosure is a stressful situation. Because of desperation, homeowners may be vulnerable to con artists and scams, which makes situations even worse. There are ways to prevent these scams from happening to you by being knowledgeable, learn the warning signs and get everything in writing.

## WAYS TO AVOID RESCUE SCAMS:

- **Make sure the company you are working with is legitimate.** Contact the Better Business Bureau at [www.mnd.bbb.org](http://www.mnd.bbb.org) or 651-699-111 for information about a company. Contact the Minnesota Attorney General's Office regarding scams at [www.ag.state.mn.us](http://www.ag.state.mn.us) or 651-296-3353
- **Do not sign papers unless your attorney or a credible agency is consulted.** Be wary of verbal promises. Agreements should be in writing and avoid signing papers with blanks.
- **Do not give anyone Title, Deed or possession of your house** who may promise to pay your mortgage, ask you to move out or asks you to become a renter and buy your house back.
- Be suspicious of any person or company that calls itself a mortgage consultant or a "foreclosure service" and don't trust anyone who uses flyers or solicits for business door-to-door. *This brochure provides a list of free contacts for counseling.*
- **Do not give out money or personal information** over the phone or to individuals at the door who offer loans, grants, or government money.
- **If you do not speak English,** insist on using a translator you can trust, not a "rescuers" choice.

A graphic with the word "CAUTION" in bold, white, sans-serif capital letters. The letters are set against a background of horizontal stripes in yellow, black, and red, with a jagged, torn-paper edge effect.

# FORECLOSURES & VACANT PROPERTIES

## LIVING NEXT TO A VACANT PROPERTY

The City of Burnsville currently has a program to reduce the impact of vacant properties within the community and is working to further decrease the impact that these homes have on surrounding properties. The city also works with many community partners as well as the Dakota County CDA.



## RESIDENTS CAN HELP FLIGHT BLIGHT

Residents can aid city efforts to manage vacant property issues until vacant properties are returned to productive uses and the housing market improves by:

1. **Offering assistance** when possible to neighbors going through foreclosure.
2. Calling the Building Inspections Department if you are **aware of a vacant property** in your neighborhood. Please include the property address and date vacated.
3. Calling the Police Department immediately at **911 if suspicious or illegal activities** are observed (trespassing, dumping, etc.)
4. Calling the Building Inspections Department promptly to **report property maintenance concerns** such as an unsecured building or grass/weeds over 8 inches.
  - The City will take steps to eliminate health & life safety hazards promptly. If a responsible party is not accessible, the city will abate/remove the violations and charge the costs back to the property.
  - General nuisances may take longer due to legal requirements. Responsible parties are given notices to correct code violations. If not corrected, violations may result in enforcement actions.
5. **Taking care of neighboring vacant property**—even minor items so city resources can be focused on resolving major issues.
  - **Removing debris that may have blown into the yard.**
  - **Removing advertisement flyers and phone books that may be left at the property, etc.**



# FORECLOSURES & VACANT PROPERTIES

## FORCLOSURE RESOURCES FOR BURNSVILLE RESIDENTS

### Contact Your Mortgage Company

Ask for *Loss Mitigation* or the department who will help you with loan and payment options.

### Dakota County CDA

1288 Town Centre Drive, Eagan, MN 55123 Information Line: 651-675-4400

Foreclosure Prevention: 651-675-4555 [www.dakotacda.org](http://www.dakotacda.org)

(30+ Programs available)

**Minnesota Home Ownership Center** 651-659-9336

[www.hocmn.org](http://www.hocmn.org)

**HOME Line**—Info for Renters 612-728-5767

[www.homelinemn.org](http://www.homelinemn.org)

**Don't Borrow Trouble MN Campaign** 612-312-2020

[www.dontborrowtroublemn.org](http://www.dontborrowtroublemn.org)

### Minnesota Housing Finance Agency

400 Sibley St, Ste 300, St Paul MN 55101

[www.mhfa.state.mn.us](http://www.mhfa.state.mn.us) 651-296-8215

### Neighborhood Development Alliance

Serving Spanish Speaking clients in Twin Cities

651-292-0131 [www.nedahome.org](http://www.nedahome.org)

## CITY CONTACTS

### Police Department

Call 9-1-1 (Emergency)

952-322-2323 (General Police Information)

### Community Development

651-675-4555 (CDA Home Improvement Loans)

952-895-4440 (Property Maintenance)

### Public Works

952-895-4534 (Water Line Breaks)

### Utility Billing

952-895-4480 (Utility/Water Bill Questions)

