

Judge orders sheriff's sales to start again

They had been postponed for three months, awaiting federal action and an investigation.

By Jeff Shields
INQUIRER STAFF WRITER

Philadelphia's top judge Monday rejected a request to postpone the auction of foreclosed homes for a fourth straight month, ordering sheriff's sales to resume next Tuesday.

Common Pleas Court President Judge Pamela Pryor Dembe ruled that the sales would proceed but with protection built in for homeowners.

In a compromise offered by Marc S. Weisberg, representing the nation's largest lenders, no deed will be issued for 90 days after the sale at auction of a foreclosed home. That is meant to allow an owner of any of the 1,600 properties up for sale to apply for a new federal program aimed at keeping people in their homes. The program was supposed to be up and running in January but has been repeatedly delayed.

An additional 770 commercial and vacant properties are up for sale without restriction. Rental homes are also exempt from the deed restriction.

Dembe first postponed the January sheriff's sales before Christmas, both to await federal assistance and to allow the Sheriff's Office to address the lack of financial controls in its real estate transactions, as documented in an audit by City Controller Alan Butkowitz.

Last week, the Philadelphia Unemployment Project, in a petition on behalf of fore-

closed homeowners, argued that more than 200 people were interested and potentially eligible for the U.S. Department of Housing and Urban Development's Emergency Homeowners Loan Program.

The new program, authored by U.S. Rep. Chaka Fattah (D., Pa.), was funded with \$1 billion nationally, including \$106 million for Pennsylvania. While HUD announced in October that it would begin taking applications by the beginning of 2011, the program is still not off the ground.

The program provides up to

\$50,000 for homeowners who suffer a loss of 15 percent or more of their income due to lost or reduced work. It targets homeowners at least three months in arrears and is supposed to help 10,000 homeowners statewide.

Irwin Trauss, attorney for Philadelphia Legal Assistance, which filed the petition on behalf of the Philadelphia Unemployment Project, urged the judge to delay sales until June to ensure that the federal funds would be available.

Dembe was unimpressed. "I think that the hopes for this program were exaggerat-

ed," she said from the bench. She said "relatively few" people will be helped, and the ability to stave off eventual foreclosure will be limited.

John Dodds, executive director of the Philadelphia Unemployment Project, said the 90-day window means that homeowners will have to act quickly to get into the program. He urged anyone in danger of losing their home to call 215-334-4663 (334-HOME).

Contact staff writer Jeff Shields at 215-854-4565 or jshields@phillynews.com.