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## Arizona unlikely to follow other states with foreclosure ban

Phoenix Business Journal - by [Chris Casacchia](#)

Arizona homeowners should scratch “foreclosure moratorium” from their holiday wish lists.

In some states, the governor can issue an executive order; but here, state lawmakers would have to pass the sweeping action. The Arizona Legislature isn’t expected to convene its next regular session until January — and when it does, the issue is unlikely to pick up steam in its Republican-controlled chambers.

State agencies and lawmakers, however, are discussing the option. But given Arizona’s historical stance against government intervention and the mountainous levels of bureaucracy to climb, such a reprieve is a long shot.

**The Arizona Bankers Association** traditionally has opposed a moratorium on foreclosures, said Tanya Wheelless, the trade group’s president and CEO. She said the ABA hasn’t contemplated or been asked to take a position on a “holiday moratorium.”

At least 16 states have enacted some sort of foreclosure moratorium, said Gov. Janet Napolitano’s spokeswoman, Jeanine L’Ecuyer.

Also, Napolitano could call a special session to address the moratorium issue.

“It could happen,” L’Ecuyer said. “It has been discussed.”

The **Arizona Department of Financial Institutions** is taking the lead on the issue, looking at similar legislation sponsored in states such as New York and Illinois.

“We’re studying it,” said ADFI Superintendent Felicia Rotellini. “There has been no timetable set.”

ADFI has supported national banks voluntarily imposing their own moratoriums and would rather see the decision stay in the private sector than take the form of a government mandate, she said.

In early December, New Jersey Gov. Jon Corzine called for a national three- to six-month freeze on foreclosures, joining the Connecticut and California governors in researching or urging federal action.

In May, Massachusetts implemented a 90-day foreclosure stay. Foreclosures dwindled for a few months, then skyrocketed when the program ended.

This month, Florida Gov. Charlie Crist announced efforts to enact a 45-day moratorium for that hard-hit market, flush with high mortgage delinquency rates and decimated home values.

It’s a familiar story to Arizonans.

More than 11 percent of mortgage loans here were past due or in foreclosure at the end of September, according to the latest report released by the **Mortgage Bankers Association**. Nearly 2 percent of Arizona homes began the foreclosure process in the third quarter, trailing only Nevada

(2.47 percent) and Florida (2.31 percent).

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Arizona Department of Financial Institutions: [www.azdfi.gov](http://www.azdfi.gov)

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