CITY OF CAMBRIDGE
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October 14, 1997

Robert W. Healy
City Manager
City Hall
Cambridge, MA 02139

RE: Council Order #58, dated September 29, 1997
The FDIC Sales Process and How the City can arrange for Notification of FDIC Sales

Dear Mr. Healy:

By the above-referenced City Council Order (copy attached), the Council requested a report on the FDIC sales process and how the City can arrange for notification by the FDIC of property sales in Cambridge.

We have learned that with respect to the FDIC's real estate sales practices, the FDIC markets properties that it owns directly, through listings with real estate brokers, and at auctions and sealed bid sales. At our request, the FDIC has sent us a copy of their quarterly Investment Properties catalogue, which lists real estate properties that are available for sale. The FDIC also has an Internet site at http://www.fdic.gov, with real estate sales information listed under the heading **Asset Sales Information**. The site includes a searchable FDIC owned real estate (ORE) Retrieval System and a National Asset Sales Calendar for ORE sales. We have also learned that at present the FDIC does not own any real estate properties in Cambridge and holds less than ten loans that are secured by real property located in Cambridge.

The FDIC has agreed to notify the City directly in the event that it sells or moves to foreclose on any property that it might own in Cambridge in the future. Arrangements are currently being made for the Northeast Service Center in Hartford to notify the City through the Community Development Department of any such sales.

Finally, current FDIC practices do not provide for notification when settlements are reached with borrowers. In other words, in cases where the FDIC is not the owner of the property but holds a mortgage interest in it, a financial settlement may be reached with the borrower without public notification. The FDIC cites the borrowers right to financial privacy as the reason for not disclosing the terms of financial settlements reached with borrowers.

Very truly yours,

Russell B. Higley

Russell B. Higley

CCM-101

City of Cambridge

58.

IN CITY COUNCIL

September 29, 1997

MAYOR RUSSELL

ORDERED: That the City Manager be and hereby is requested to investigate and report back on what the FDIC sale process is and how the City can arrange for notification by the FDIC; and be it further

ORDERED: That the City Council request that the Massachusetts Congressional Delegation consider legislation to give cities notification and first opportunity to purchase properties acquired by the FDIC for auction and resale.

In City Council September 29, 1997.
Adopted by the affirmative vote of nine members.
Attest:- D. Margaret Drury, City Clerk.

A true copy; D. Margaret Drury

ATTEST:-
D. Margaret Drury
City Clerk

22.

CITY OF CAMBRIDGE
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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

October 20, 1997

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 26, regarding a report on what the FDIC sale process is and how the City can arrange for notification by the FDIC, received from City Solicitor Russell Higley.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
attachment

Consent Agenda #22

S-642

Relative to Awaiting Report Item Number Twenty-Six, regarding a report on what the FDIC sale process is and how the City can arrange for notification by the FDIC.

In City Council October 20, 1997

PLACED ON FILE