



March 25, 2019

Senate Committee on Housing
Oregon Legislature
900 Court Street NE
Salem, Oregon 97301

Dear Chair Fagan, Vice-Chair Heard and Members of the Committee:

I am writing today to support SB 820 on behalf of NEDCO and Willamette Neighborhood Housing Services (WNHS), two nonprofit affordable housing development and counseling agencies that merged on January 1st. Together, NEDCO and WNHS are the largest provider of foreclosure prevention counseling in Oregon, serving residents in our primary region of Lane, Linn, Benton, Lincoln, Marion, and Clackamas Counties, as well as throughout Oregon via telephone counseling. We are part of a network of agencies that help Oregonians facing foreclosure analyze their financial situation, explore available options and advocate on their behalf with their mortgage servicer.

The Oregon Foreclosure Avoidance (OFA) program changed the face of foreclosure counseling in Oregon, by creating an opportunity for homeowners to have a face-to-face mediation with their mortgage servicer. Our counselors provide neutral, third-party support to help homeowners prior to the mediation session, navigating a system that often provides limited or incorrect information to homeowners, and attending the mediation sessions with homeowners as their advocate in the OFA program. Since its inception, counseling for the OFA program has been funded through general funds. We urge your support of funding for foreclosure counseling in the amount of \$1.24 million.

Foreclosure prevention counseling is a key component in addressing our state's housing crisis; by helping Oregon families stay in their homes, we prevent them from homelessness or from putting increased pressure on an over-burdened rental market. We also help them preserve an asset, maintain their children in the schools they know, and protect neighboring property values. All for a very nominal fee per family – much less than that it would cost to relocate the same family to new housing.

Foreclosure prevention counseling works. Families entering the Oregon Foreclosure Avoidance program come to an agreement with their mortgage servicer over 70% of the time. The need and demand for foreclosure prevention services is still present throughout Oregon. Communities are continuing their path to recovery even a decade post-recession; industries and wages have not rebounded and many Oregonians are only one event away from a mortgage crisis.

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And yet, all other sources of funding for foreclosure counseling have been eliminated in recent years, including the National Foreclosure Mitigation Counseling Program. Without renewed support by the Legislature, the network of foreclosure prevention counselors will be eliminated as of June 30, 2019. The robust systems and deep knowledge of our counseling team will go away. No Oregonian facing a mortgage crisis would have the opportunity to work with an advocate; they will be left on their own. And when the next recession hits, as everyone knows it must, we will have no counseling network in place to respond.

You can change this. SB 820 provides \$1.24 million for the 2019-2021 biennium, for foreclosure prevention counseling to ensure that Oregonians can count on a knowledgeable team of experts to support them and their families during this difficult time. We thank you for what the Legislature has previously done to support OFA counseling funding and urge your continued support for funding for foreclosure counseling.

Sincerely,

Emily Reiman

CEO

NEDCO and Willamette Neighborhood Housing Services

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