



# Columbia Cascade Housing Corp.

April 8<sup>th</sup>, 2019

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

*Sent via e-mail to [SHOUS.Exhibits@oregonlegislature.gov](mailto:SHOUS.Exhibits@oregonlegislature.gov)*

RE: Support for SB 820 and the -1 amendments

Dear Chair Fagan, Vice Chair Heard, members of the Committee:

I am writing to you today on behalf of Columbia Cascade Housing Corporation (CCHC) to express our support for SB 820 and the -1 amendments, which will provide financial assistance for pre-mediation counseling for homeowners facing foreclosure through the Oregon Foreclosure Avoidance program.

One of CCHC's core lines of business is working with lower income households to achieve their dream of becoming a homeowner as well as working with existing homeowners to stay in their home when it makes most sense. We believe that all Oregonians need a safe, stable, and affordable place to call home. Today, we simply don't have enough affordable homes for people who need them, and vacancy rates have dropped precipitously towards zero in the communities we serve. Often, homeownership is out of reach without the support of an organization like CCHC.

The Oregon Foreclosure Avoidance program has been incredibly successful. It was first created via bipartisan legislation in 2011, and modified in 2012. The Oregon Foreclosure Avoidance Program provides homeowners the opportunity to meet directly and mediate with their lender, and also provides that homeowners are supported by a network of foreclosure counselors to help homeowners prepare for mediation.

The mediation program, which includes administration, access to trained mediators, and support for resolution conferences, has been funded through fees paid by both lenders and homeowners. Since the creation of the program, the foreclosure counseling portion of the program has been funded by the Legislature through the general fund, and administered by Oregon Housing and Community Services.

Our counselors meet with homeowners to analyze their financial situation, discuss options, and attend the meetings between lenders and homeowners. Counselors provide neutral, third-party support to help homeowners as they navigate a system that provides limited information to homeowners. For people who access counseling, the success rates are remarkable – over 70% of people make an agreement with their lender to stay in their home. Counseling, plus mediation, is the key to helping homeowners remain stable in their homes and avoid foreclosure in a sustainable, long term way.

Oregonians need access to an ongoing foreclosure counseling program in Oregon. Today, there are still far too many families experiencing being behind or in default on their mortgages, and these families need access to counselors. Other states have recently acted to permanently fund foreclosure counseling programs. Counseling agencies are operating across Oregon, and are closely tracking outcomes. They report that

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counseling has successfully increased the number of homeowners avoiding foreclosure and decreased the time it takes to finalize workout agreements.

It is important to all parties to a foreclosure (lenders and borrowers) that homeowners have access to trained counseling services before and during the foreclosure process. Counseling helps homeowners better understand their options and navigate a complex process, and access to counseling results in better outcomes.


Funding for foreclosure counseling in the 2019-21 biennium at \$1.24 million would maintain access to counseling across Oregon, would help to maintain the geographic reach of the network and would maintain expertise within the network. Oregon homeowners who are at risk of foreclosure need access to this critical resource. The -1 amendments to SB 820 provide \$1.24 million to fully fund foreclosure counseling for the 2019-21 biennium.

We know what home, and what stable housing, means to all of us. When people have safe and stable housing, it has important and significant benefits, and allows people to build for their futures. Kids are able to focus on the things that matter – being kids, doing their homework – instead of worrying about where their families will sleep at night. Parents are able to focus on work, on family, and on community. Safe and stable housing that people can afford is key to accessing opportunity.

We urge you to support SB 820 and the -1 amendments, and provide \$1.24 million to support foreclosure counseling for the 2019-21 biennium.

Thank you for the opportunity to submit testimony, and for your service.

Sincerely,

  
Joel Madsen  
Executive Director