

## HB 3209 -1 STAFF MEASURE SUMMARY

### House Committee On Housing

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/23, 4/6

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#### WHAT THE MEASURE DOES:

Directs the Housing and Community Services Department allocate grant moneys to nonprofit housing counseling agencies for the provision of housing counseling services to grantors at risk of foreclosure. Clarifies that eligible grantors must request a resolution conference with a beneficiary and contact the department to request housing counseling services. Directs department to determine further eligibility criteria for grantors receiving housing counseling services.

Allows department to specify in rule any reporting, record keeping, and auditing requirements for grant fund recipients. Requires department to develop and disseminate outreach, education, and application materials and provide sufficient funding to housing counseling agencies to enable grantor awareness of and participation in homeowner and other assistance programs.

Establishes Housing Counseling Fund in the State Treasury, and requires department to disburse all grant moneys received as an appropriation or from any public or private source. Becomes operative on the 91<sup>st</sup> day after the effective date, and allows department to commence rulemaking efforts prior to that date. Declares emergency, effective upon passage.

#### ISSUES DISCUSSED:

- Oregon Foreclosure Avoidance (OFA) program provides homeowners at risk of foreclosure the opportunity to work with lender to achieve agreement or loan modification.
- Role of housing counselors in helping homeowners understand technical jargon, talk with lenders, review eligibility for financial assistance, and connect to legal aid
- Provision of housing counseling for homeowners within and outside of OFA program
- Supporting long-term housing stability for homeowners and multigenerational households
- Ensuring document translation and interpreter services for limited English proficiency clients and homeowners

#### EFFECT OF AMENDMENT:

-1 Allows Housing and Community Services Department to certify eligible grant recipients among nonprofit organizations, housing authorities or government agencies that provide housing counseling services specific to foreclosure avoidance. Clarifies department responsibilities in providing information to grantors about the availability of housing counseling services. Removes operative date; retains emergency clause.

No revenue impact; fiscal impact issued

#### BACKGROUND:

In June 2020, in response to the COVID-19 pandemic, related income loss, and increased housing insecurity, the Oregon Legislative Assembly enacted House Bill 4204 to prohibit lenders from initiating foreclosure activities on homeowners and other borrowers through September 30, 2020. In September 2020, Governor Kate Brown issued Executive Order 20-37, which extended the foreclosure moratorium to December 31, 2020.

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In 2012, the Legislative Assembly enacted Senate Bill 1552 to establish the Oregon Foreclosure Avoidance Program (OFA) under the direction of the Attorney General. It required the beneficiary of a residential trust deed to enter into mediation with a homeowner who has received notice of foreclosure. Senate Bill 558 (2013) expanded provisions of OFAP and added the requirement that a homeowner consult with a housing counselor before attending a resolution conference.

House Bill 3209 directs Oregon Housing and Community Services to allocate grant moneys to nonprofit housing counseling agencies for the provision of housing counseling services to borrowers at risk of foreclosure. It establishes the Housing Counseling Fund for the disbursement of all grant moneys.