



HOUSING ALLIANCE

March 22, 2021

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

Dear Chair Fahey, Vice-Chair Morgan, Vice-Chair Campos, Members of the Committee:

I am writing to you today on behalf of the Oregon Housing Alliance to express our support for HB 3209, which would fund foreclosure counseling for Oregon homeowners.

The Oregon Housing Alliance is a coalition of more than ninety organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the foundation on which all of our success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices including affordable housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state.

We believe that all Oregonians need a safe, stable, and affordable place to call home.

Prior to the COVID-19 pandemic, we knew that already, too many seniors, families, and people who experience disabilities were paying too much of their income towards their rent or mortgage, and were experiencing other forms of housing instability.

Since the beginning of the COVID-19 pandemic, all of us have spent much more time in our homes. It has become the place where we work, learn, worship, and play. Home has always been essential, and this past year has showed us exactly how essential home is.

The pandemic has lifted up countless stories of people who are making extreme sacrifices to pay rent and remain in their homes. Recent Census Household Pulse Survey¹ data reports that: Twenty one percent (21%) of respondents reported being worried about being foreclosed upon within the next two months. Significant percentages regularly report using credit cards to meet basic needs, borrowing money from family or friends to meet basic needs, or selling belongings or spending down savings to meet basic needs.

Families of color have been particularly hard hit by COVID – both the impacts of job loss and the virus – due to systemic racism which has kept many in low wage jobs, or a legacy of environmental impacts which negatively affect their health. The last foreclosure crisis also negatively and disproportionately impacted families of color², who disproportionately received subprime loans, after controlling for income, credit score, and other factors. In addition, families

¹ <https://www.census.gov/data/tables/2021/demo/hhp/hhp23.html>

² <http://allianceforajustsociety.org/wp-content/uploads/2013/05/Wasted.Wealth.NATIONAL.pdf>

of color in the last foreclosure crisis were more likely to lose their home and experience a greater loss of wealth than their white peers.

Currently, the federal foreclosure moratorium³ passed as part of the CARES Act is providing protection to some (approximately 70%) Oregonians who may be unable to pay their mortgage during this time. This federal protection is currently in place through the end of June, 2021, providing forbearance and foreclosure protection to help people remain in their home.

We hear regular reports that homeowners are reporting trouble accessing accurate information from their lenders. In spite of our state and federal protections – and assurances from banks that they are assisting homeowners – foreclosure counselors working all across the state, with struggling homeowners who are regularly reporting that they are having trouble reaching their servicer to ask for assistance. They may be receiving conflicting information, no clear direction, and inconsistency from servicers. Information varies based on what the homeowner knows to ask for and who their servicer is.

Counselors are a key part of helping homeowners avoid foreclosure, and HB 3209 would fund access to counseling for homeowners across Oregon. Once a foreclosure moratorium is allowed to expire, homeowners may enter default and foreclosure. The Oregon Foreclosure Avoidance program was created by the Legislature during the last foreclosure crisis and has been incredibly successful. It can provide 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 Oregon Foreclosure Avoidance 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.

Oregon has a network of counseling agencies across the state who meet with homeowners, help to analyze their financial situation, discuss options, and attend the meetings between lenders and homeowners. Counselors provide support to help homeowners as they navigate a system that provides limited information to homeowners. Prior to the COVID pandemic, for people who access counseling, the success rates are significant with over 70% of counseling participants making an agreement with their lender. 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 as we seek to prevent another foreclosure crisis as a result of the economic downturn from the COVID-19 pandemic. As homeowners may struggle to communicate with their lender, to access or to exit forbearance, to access mortgage payment assistance programs, counselors are key to supporting homeowners. Counseling helps homeowners better understand their options and navigate a complex process, and access to counseling results in better outcomes.

Funding for foreclosure counseling through HB 3209 would maintain access to counseling across Oregon, would help to maintain the geographic reach of the network and would maintain

³ <https://www.nhlp.org/wp-content/uploads/2020.04.10-NHLP-Homeowner-Relief-Info-Sheet-Update2.pdf>

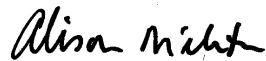
expertise within the network. Oregon homeowners who are at risk of foreclosure need access to this critical resource.

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 HB 3209, and foreclosure counseling for the 2021-23 biennium.

Thank you very much for your time, and for your service to our state.

Sincerely,

A handwritten signature in black ink that reads "Alison McIntosh". The signature is written in a cursive, flowing style.

Alison McIntosh
On Behalf of the Oregon Housing Alliance

Housing Alliance Members

1000 Friends of Oregon
211info
Aging in the Gorge
Benton Habitat for Humanity
Bienestar
Bradley Angle
BRIDGE Housing
Business for a Better Portland
CASA of Oregon
Central City Concern
Chrisman Development
Church Women United of Lane County
City of Beaverton
City of Eugene
City of Forest Grove
City of Hillsboro
City of Hood River
City of Portland
City of Tigard
Clackamas County
Coalition of Community Health Clinics
Coalition of Housing Advocates
College Housing Northwest
Community Action Partnership of Oregon
Community Action Team
Community Alliance of Tenants
Community Development Partners
Community Housing Fund
Community Partners for Affordable Housing
Community Vision
Cornerstone Community Housing
DevNW
Ecumenical Ministries of Oregon
Enterprise Community Partners
Fair Housing Council of Oregon
Farmworker Housing Development Corp.
FOOD for Lane County
Habitat for Humanity of Oregon
Habitat for Humanity Portland/Metro East
Hacienda CDC
Home Forward
Homes for Good
Housing Authorities of Oregon
Housing Authority of Clackamas County
Housing Development Center
Housing Oregon
Human Solutions
Immigrant & Refugee Community Organization

Impact Northwest
Innovative Housing, Inc.
Interfaith Alliance on Poverty
JOIN
Lane County Health and Human Services
League of Oregon Cities
League of Women Voters of Oregon
Lincoln County
Looking Glass Community Services
Mainstream Housing Inc.
Metro
Mid-Columbia Housing Authority
NAYA Family Center
Neighborhood Partnerships
NeighborImpact
NeighborWorks Umpqua
Network for Oregon Affordable Housing
Northwest Housing Alternatives
Northwest Pilot Project
Oregon AFSCME Council 75
Oregon Coalition of Christian Voices
Oregon Center for Public Policy
Oregon Coalition on Housing & Homelessness
Oregon Council on Developmental Disabilities
Oregon Food Bank
Our Children Oregon
Partners for a Hunger-Free Oregon
Portland Community Reinvestment Initiatives
Portland Homeless Family Solutions
Proud Ground
Raphael House
REACH CDC
Residents Organizing for Change (ROC Oregon)
Rogue Action Center
Rose CDC
St. Francis Shelter
St. Vincent de Paul of Lane County, Inc.
ShelterCare
Sisters Habitat for Humanity
Sponsors, Inc.
SquareOne Villages
Street Roots
Think Real Estate
Transition Projects
Washington County
Welcome Home Coalition