



DEVELOPING THRIVING COMMUNITIES

March 23, 2021

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

RE: Support for HB 3209

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

My name is Karen Saxe and I work for DevNW, an affordable housing and counseling agency serving Lane, Linn, Benton, Lincoln, Marion and Clackamas Counties. Since 2008 we have been one of the largest providers of foreclosure prevention counseling in Oregon. But, we are not in this alone. 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 the mortgage servicer.

We know homeowners are struggling, they are making the hard choice to pay their mortgage or put food on the table. We've heard from homeowners they are putting mortgage payments on their credit cards, all with the desire to not fall behind. Looking at the Census Pulse Survey over the last four months, an average of 90,000 homeowners in Oregon are actively in default, which represents about 7.5% of homeowners with a mortgage. Additionally, over 10% of Oregonians during this time period report little or no confidence that they can make their next mortgage payment.

Homeowners are struggling to reach mortgage servicers, and when they do, they often receive conflicting information with no clear direction. Foreclosure counseling connects a homeowner with a trained professional who can support them in resolving their mortgage crisis. Counselors are able to assess a homeowner's current financial situation and determine a plan to avoid foreclosure, including reviewing eligibility for state, federal or mortgage specific programs, communicating directly with the mortgage servicer on their behalf, attending mediation sessions, submitting and reviewing documents and ensuring homeowners are receiving accurate, complete information to resolve their mortgage crisis. Additionally, counselors are trained to work closely with local legal aid resources as well as DCBS and DOJ to flag legal issues or concerning trends in the servicing industry.

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HB 3209 will ensure that Oregonians can count on a knowledgeable team of experts to support them during this difficult time. Foreclosure prevention counseling works. Families entering the Oregon Foreclosure Avoidance program come to an agreement with their mortgage servicer over 70% of the time. These agreements may include workout options such as a forbearance or a modification to the loan that provides a more affordable long-term payment based on a homeowner's changing financial situation. HB 3209 would fund this critical service in communities throughout Oregon, ensuring that any homeowner facing a mortgage crisis could work with a trained foreclosure counselor.

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 know that economic recovery took twice as long for families of color from the Great Recession compared with their white counterparts. It is imperative that we act now for an equitable recovery from the pandemic and economic crisis hitting families across the state.

We urge your action to support homeowners throughout Oregon by passing HB 3209. Thank you for your time and for all of your work on behalf of Oregonians.

Sincerely,

A handwritten signature in black ink, appearing to read "KSaxe", written over a light blue horizontal line.

Karen Saxe
Director of Financial Wellbeing
DevNW

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