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To: House Committee on Housing
From: Sybil Hebb, Oregon Law Center
Date: March 23rd, 2021
Re: HB 3209

Chair Fahey, Vice-Chairs Campos and Morgan, and members of the committee:

On behalf of the Oregon Law Center (OLC), thank you for the opportunity to submit testimony in support of House Bill 3209, which would provide funding to nonprofit housing counseling agencies for the provision of housing counseling services to homeowners at risk of foreclosure. Passage of this bill would protect housing stability for vulnerable Oregonians, which is especially critical during this time of crisis.

The Oregon Law Center's mission is to achieve access to justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. The vast majority of our clients have incomes at or below the federal poverty level, and work hard to provide the basic necessities for themselves and their family. During the Great Recession, our offices across the state saw a marked increase in the number of people eligible for our services.

Swept up by the force of failing markets worldwide, homeowners suddenly found themselves faced with impending poverty. At the time, we worked hard to respond to this crisis, and were so grateful for the establishment of the Foreclosure Avoidance Mediation Program and the network of housing counseling providers to help homeowners navigate an incredibly complex system. Housing counselors saved many homes, prevented much credit damage, and helped Oregonians weather the economic crisis.

The COVID pandemic has caused many of the same crises for housing stability that we saw during the Great Recession. We know that, like eviction impacts renters, foreclosure can position homeowners between shelter and homelessness.¹ Many Oregonians have begun to recover from the initial extreme losses of the pandemic, but many are still in the throes of job loss, illness, quarantine requirements, and other crises. In 2020, those who have fallen behind at least three months on their mortgage increased 250%, to over 2 million households. Nationally, we are now at a level not seen since the height of the Great Recession in 2010.² Oregon is not immune to this impact, and this is happening at a time when funding for housing counselors has been reduced and the foreclosure mediation program is less available.

¹ *Foreclosure to Homelessness 2009*. A joint report from the National Coalition for the Homeless, the National Health Care for the Homeless Council, the National Alliance to End Homelessness, the National Association for the Education of Homeless Children and Youth, the National Law Center on Homelessness & Poverty, the National Low Income Housing Coalition and the National Policy and Advocacy Council on Homelessness.

² https://files.consumerfinance.gov/f/documents/cfpb_Housing_insecurity_and_the_COVID-19_pandemic.pdf

We know that due to structural inequities and systemic racism, Oregon's housing markets, supply, affordability, and opportunity have been vastly out of reach for low-income communities and for communities of color.³ We also know that the impact of the pandemic is falling disproportionately on those very same communities. If we do not act to ensure structural supports and systemic protections for struggling homeowners, these inequities will be deeply exacerbated.

Passage of HB 3209 will ensure the availability of housing counselors in communities across the state to help struggling Oregonians navigate the complicated process of resolving their mortgage crisis. This program will save homes, stabilize communities, and help Oregon weather this current crisis. We urge passage of HB 3209.

Thank you for this opportunity to provide comments.

³ https://www.oregonlegislature.gov/citizen_engagement/Reports/2019-JARDHO-Addressing%20Barriers%20to%20Home%20Ownership%20for%20People%20of%20Color%20in%20Oregon.pdf