



HOUSING ALLIANCE

May 6, 2021

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

Dear Chair Jama, Vice-Chair Linthicum, Members of the Committee:

I am writing to you today on behalf of the Oregon Housing Alliance to express our support for HB 2009A and the -A12 amendments, which would reinstate Oregon's residential foreclosure moratorium through June 30, 2021 and provide basic protection for homeowners at risk of foreclosure during COVID.

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.

Amendments

First, we want to share some details about the -A12 amendments. These amendments are technical, and clean up several pieces of language within the bill. They also correct the error in the date in the A-Engrossed version:

- Page 3, lines 16-17: Deletes the words "negotiating and agreeing to a foreclosure avoidance measure". This change is intended to clarify that a lender does not need provide an option beyond forbearance to homeowners, although homeowners may request and lenders may provide other options besides forbearance.
- Page 4, line 44 and page 5, line 1: Clarifies that both lenders or trustees (the new language adds trustees) are eligible for the safe harbor protections if they acted in accordance with the law prior to passage of HB 2009.
- Page 5, lines 25 – 31: This change deletes and replaces the language that a lender must include when notifying the borrower of protections that they may be eligible for under HB 2009. There are several technical changes included in this new language:
 - o First, the notice corrects the date from September 1 to June 30. The expiration of the protections was changed in the -3 amendments, which were adopted in the House, but this change was missed.
 - o Second, the notice replaces "deferral" with "forbearance" and clarifies that a homeowner can defer missed payments until the end of the loan term, not just to the expiration of HB 2009.
 - o Finally, this section seeks to clarify for homeowners that if they have existing protection under the federal CARES Act, they may have other protections.

- Page 5, lines 41 – 43: These two changes clean up language related to land sale contracts and capture the correct process for foreclosures related to land sale contracts.

Assistance coming to Homeowners

Under the recently passed American Rescue Plan Act, resources are included under the Homeowner Assistance Fund¹. The total fund includes \$9.9 billion, of which Oregon is expected to receive \$90 million. Oregon Housing and Community Services has already received permission to, and applied for the funds².

Once received, OHCS will develop a plan to expend the funds, which can include direct mortgage payment assistance to homeowners. The plan must include public input, and must be approved by US Treasury before funds can begin going to homeowners.

This resource will provide significant relief to Oregonians. Federal resources will take additional time to get out the door as our state will need to navigate new federal rules and program requirements, and distribute resources. OHCS has significant expertise in distributing resources to homeowners, and ran the successful Oregon Homeowner Stabilization Initiative, using funds distributed through the last recession under the Hardest Hit Fund.

Passage of HB 2009A will provide time for homeowners to access funds, and maintain their home.

Need

The pandemic has lifted up countless stories of people who are making extreme sacrifices to pay either their rent or mortgage and remain in their homes. Looking at a 6-week rolling average of the US Census Pulse Survey³, in February and March 80,000-90,000 Oregon homeowners were behind on their mortgage payments. When asked about their ability to make next month's payment, we can see even more households on the brink of default:

- 25,000-40,000 had ‘no confidence’ they would be able to make their payment
- 55,000-65,000 had only ‘slight confidence’ they would be able to make their payment.

The most recent data from March 17-29 Census Household Pulse Survey⁴ data reports that: Twenty one percent (25%) of respondents who are not caught up on their mortgage payments reported being worried about being foreclosed upon within the next two months. In addition:

- 22% of Oregon homeowners surveyed were reporting using credit cards to meet basic needs, and
- 19% of Oregon homeowners surveyed reported 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 color⁵, who disproportionately received subprime loans, after controlling for income, credit score, and other factors. In addition, families

¹ <https://home.treasury.gov/system/files/136/HAF-Guidance.pdf>

² <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/CommitteeMeetingDocument/240075>

³ <https://www.census.gov/programs-surveys/household-pulse-survey/data.html>, Weeks 25, 26, 27

⁴ <https://www.census.gov/data/tables/2021/demo/hhp/hhp27.html>

⁵ <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.

We hear regular reports that homeowners are reporting trouble accessing accurate information from their lenders. Foreclosure counselors working all across the state with struggling homeowners are regularly reporting that people are having trouble accessing assistance. They continue to receive 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.

Passing HB 2009A could help to ensure all Oregonians have access to the same protections. HB 2009A does not release a homeowner from their requirement to pay, but requires moving payments to the end of the loan period.

Many Oregonians remember all too well the last foreclosure crisis and the negative ripple effects felt by families, individuals, and communities. Stories in the news over the last two months have highlighted incredibly difficult stories reminiscent of the Great Recession: families selling cars, skipping meals, and making other sacrifices in order to pay their housing costs. Nobody should be kicked out of their home during a pandemic. It is critical that we make public policy decisions accordingly so that we protect people and help them keep their homes. Without a stable home, people will not be safe, nor will they be able to return to work and school. This is an urgent issue that requires urgent action by the Legislature.

We urge you to support of HB 2009A, and ask that you pass this bill immediately to provide protection to homeowners. Thank you very much for your time, and for your service to our state.

Sincerely,



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
Chrismen 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