



NeighborImpact

Supporting People, Strengthening Communities.

March 19, 2021

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

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

I am writing to you on behalf of NeighborImpact and the communities in which we work to share with the Committee's the importance of and value of the Oregon foreclosure avoidance and foreclosure counseling program. HB 3209 supports these programs.

Since 1985, NeighborImpact has served Crook, Deschutes and Jefferson counties and the Confederated Tribes of Warm Springs in Central Oregon. Our organization is the largest nonprofit in our region on a client-served basis. NeighborImpact programs support people in our community who need it the most as well people who need a temporary boost. We are the region's leading provider of housing and homeless services, energy assistance, emergency food programs, childcare provider resources, early childhood education services and self-help programs for Central Oregonians. We are the Regional Housing Counseling Center for Central Oregon as designated by Oregon Housing and Community Services Department (OHCS) as well as the NeighborWorks organizations serving the entire east side of the state. Our program, which we call HomeSource, provides homeownership counseling, financial capability education and counseling, reverse mortgage counseling, mortgage assistance, downpayment assistance, rehab loans programs and foreclosure avoidance counseling and mediation.

The Oregon Foreclosure Avoidance (OFA) program helps families gain information and knowledge when facing foreclosure. Counselors help families maintain their home and their stability. We have been part of this program since its inception, and through it we helped hundreds of residents to remain housed and/or exit a unsalvageable situation with dignity and financial security.

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The OFA program operates on a fee-for-service basis. The fee covers only a portion of the mediation cost. Essentially, our organization is being asked work for free to subsidize counseling. While the cause is noble, the business case is unsustainable. HB2209 would finally provide secure funding to ensure that this service continues uninterrupted statewide. The program will also expand counseling options to allow us to assist homeowners that are struggling with their mortgage but not yet in formal foreclosure process. Bringing pre-foreclosure counseling services to our communities is a key element of providing stability in a fragile housing environment.

In Central Oregon, as in many other parts of the state, the financial impact of the pandemic are significant. We are facing a crisis equivalent to the foreclosure crisis of 2008 once the moratorium on foreclosure is expired and courts begin operating with their usual efficiency. Losing a home means homelessness. Due to the tight housing market, the usual responses to foreclosure—downsizing or transferring to a rental—are not options, due to lack of housing supply and the fact that many people facing foreclosure are also facing high levels of medical and other debt.

Providing a highly trained and certified counselor gives constituents a broader understanding of their situation and their options and makes the foreclosure process understandable and manageable. Having a housing counselor attend mediation conference has provided great results for all parties involved. Historically, more than 70 percent of clients who receive counseling and complete mediation reach an agreement with their lender.

HB 3209 would provide funding for foreclosure counseling, and organizations like ours to continue to help homeowners in our community. In addition, HB 3209 would expand eligibility for counseling to include homeowners at risk of foreclosure, which will be critical to preventing another foreclosure crisis as a result of COVID.

Thanks for your commitment to ensuring that Oregon families have a place to call home.

Sincerely,



Executive Director, NeighborImpact