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Testimony in Support of Senate Bill 558
House Committee on Consumer Protection and Government Efficiency
Submitted by: John Miller, Oregon Opportunity Network

May 3, 2013

Chair Holvey and Members of the Committee:

On behalf of the Oregon Opportunity Network (Oregon ON), we submit this written testimony in support of Senate Bill 558. This bill makes technical improvements to Oregon's foreclosure mediation law (SB 1552) and ensures that homeowners have access to a resolution conference with the lender prior to either judicial or non-judicial foreclosure proceedings.

[Oregon ON](#) is a membership-based, statewide association of affordable housing and community development organizations that provide housing and economic opportunity for working families, people with disabilities, seniors and others struggling to meet their needs in communities throughout Oregon. Our members include nonprofits around the state who are working on the front lines to support struggling homeowners through homeownership education, counseling and mediation. Our members are trained to help homeowners prepare for meetings with lenders and are among the more than 200 mediators who have participated in extensive training on how to facilitate foreclosure resolution conferences.

Foreclosure counseling equips homeowners to make good decisions based on good information. Mediation provides homeowners with timely and accurate information about their choices which will help allow them to make informed decisions. Funded by the national bank settlement resources, these approaches have the potential to significantly benefit Oregonians at risk of foreclosure and our communities across the state.

SB 558 requires the largest lenders to participate in a resolution conference with homeowners prior to starting a judicial or non-judicial foreclosure to discuss mutually beneficial alternatives to foreclosure. The exemption must be carefully targeted so that thousands of homeowners don't get shut out. The exemption is intended to carve out small credit unions and community banks. If the exemption is too broad, thousands of homeowners struggling to work with difficult national servicers will be shut out of the mediation program.

A fair and robust foreclosure resolution process is one of the best ways to speed up foreclosure timelines, avoid any potential backlog in the courts and create positive outcomes for both homeowners and investors who own the loans.

Housing provides everyone with an opportunity to succeed in life. In Oregon, we've always pulled together to overcome hardship. Let's continue to support Oregon homeowners and Oregon communities as they recover by passing Senate Bill 558.

Thank you very much for the opportunity to provide testimony in support of this important bill.