



DIANE ROSENBAUM

SENATE MAJORITY LEADER

To: House Committee on Consumer Protection and Government Efficiency

From: Senator Diane Rosenbaum

Date: May 7th, 2013

Re: Testimony in support of Senate Bill 558A

Chair Holvey, Members of the Committee;

For the record I am Diane Rosenbaum, State Senator representing Senate District 21 which includes inner Southeast Portland, Milwaukie and Oakgrove.

I am here today to testify in strong support of Senate Bill 558A which will ensure that struggling homeowners have the opportunity for mediation prior to a foreclosure. This bill comes before you today with a strong, bipartisan 22-7 vote from the Senate.

By ensuring that homeowners have the option of mediation regardless of whether the lender chooses the judicial or non-judicial process, both borrowers and lenders will have the chance to exchange accurate information, explore foreclosure avoidance or mitigation options, and negotiate mutually acceptable agreements. In many cases, access to mediation will avoid the necessity of filing a foreclosure action altogether, saving both borrowers and lenders untold costs and expenses.

Every loss of a home from foreclosure is a tragedy, but for a family to lose a home that could have been saved through mediation or other means is worse than a tragedy: it is an injustice that damages whole communities and creates a major drag on our state and local economies.

With one out of thirteen homeowners a month or more behind on their mortgages, and 132,000 who are underwater, far too many Oregonians continue to struggle. Senate Bill 558A will complete the promise of Oregon's mediation program by allowing all homeowners at risk of foreclosure to participate in mediation.

In the 2012 session, we responded to a true housing crisis by passing SB 1552 on a substantial bipartisan vote. We are back here today to make sure that the program works

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and ensure that the thousands of homeowners still facing threats of foreclosure are granted the option of mediation. Senate Bill 558A restores a robust mediation program as was originally intended through SB 1552.

We must act now to give middle class families the opportunity to keep a roof over their heads. They are out of time and losing their homes.

I truly appreciate all the hard work that has gone into this bill, first in the Senate and now in the House. Colleagues, I urge you to fulfill the promise of Oregon's mediation program by voting in support of Bill 558A. The benefits of mediation should be extended to these homeowners at risk of foreclosure, and we must act now to give middle class families the opportunity they deserve to stay in their homes.

Sincerely,

A handwritten signature in black ink that reads "Diane Rosenbaum". The signature is written in a cursive, flowing style.

Senator Diane Rosenbaum
Senate District 21