



February 26, 2013

Testimony in Support of Senate Bill 558  
Committee on General Government, Consumer and Small Business Protection  
Submitted by: Jesse Beason, Proud Ground

Chair Shields, Vice-Chair George, and Members of the Committee:

On behalf of Proud Ground, I 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.

Proud Ground serves Washington, Multnomah and Clackamas counties, helping stable, hard-working families purchase, maintain and succeed in their first home. Our model and long-term partnership with our families has meant just a single foreclosure among our 245 families served. However, we have witnessed the confusion, pain and frustrations borne by homeowners who have reached out to us for help, fallen on hard times, or fear for losing their home. They are faced with complex systems with no single point of contact, contradictory advice and a nationalized system that cannot respond to local conditions.

Luckily, SB 558 offers solutions that we know work.

Foreclosure counseling empowers homeowners to make good decisions based on good information. Mediation offers homeowners accurate information about their choices, which means informed decisions and predictable outcomes. 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. 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. In addition, SB 558 gives the Attorney General explicit authority to take legal action against lenders who do not comply with the law. Given the recent track record of major lenders failing to honor homeowners' requests for mediation under SB 1552, enforcement is a key component of the law.

Finally, SB 558 streamlines the administrative requirements for both banks and homeowners, making the process more efficient and less costly.

In Oregon, we've worked together to build communities that sustain us. This means supporting our history of ingenuity, innovation and independence. It also means coming together in hardship. Senate Bill 558 helps ensure our communities continue to thrive and open doors for all Oregonians.

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

*Dreams Start Here.*

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