

Testimony in Support of Senate Bill 558
Committee on General Government, Consumer and Small Business Protection – February 27, 2013
Submitted by: Victor Merced, Hacienda CDC

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

On behalf of Hacienda CDC and our Homeownership Support Program, 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.

Hacienda CDC is a Latino Community Development Corporation that strengthens families by providing affordable housing, homeownership support, economic advancement and educational opportunities. Our 381 apartments provide a safe, stable, and affordable home to nearly 2000 individuals who earn just 60% or less of area median income. Hacienda is committed to helping these residents and other families in the Portland metro area access our culturally-specific services to live healthy, productive lives. We coach over 75 aspiring Latino entrepreneurs annually to help them start or improve their businesses, and we provide over 400 at-risk youth with academic support and cultural enrichment. Since 2006, the Homeownership Support Program has formed a central piece of Hacienda’s strategy to help families build and protect their assets. Certified housing counselors provide financial education to first-time homebuyers and work with them 1-on-1 during the home buying process. 5 years ago, in response to overwhelming demand, Hacienda began offering free foreclosure prevention counseling to any struggling Oregonian homeowners.

| Foreclosure counseling equips homeowners to make the best decisions for their family but this is only effective with accurate information. Mediation provides homeowners with timely, accurate, and effective 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. A fair and robust foreclosure resolution process is one of the best ways to, avoid any potential backlog in the courts while also helping to 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.

| Housing provides everyone with an opportunity to pursue the American dream. 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.