

Good Afternoon Chair Shields, Vice Chair George, members of the Committee. My name is Katharine Moore and I am with Salem Area Housing Resources. For the past 6 months, I've been meeting with a small group of local homeowners, most of whom are elderly or disabled, who are pre-foreclosure or already in the foreclosure process.

I began working on supporting distressed homeowners after being a part of the local Move Your Money campaign where we encouraged community members to keep their money local by banking with local banks and credit unions. While I was assisting people in transferring their bank accounts, I was approached 3-4 times every week by homeowners who were attempting to work with their banks and were being rebuffed. They were looking for a local group who could provide some support or understanding of what the process was. They felt ashamed and bewildered by the behavior of the banks.

Week after week, I heard heartbreaking stories from widowers, people with sick family members and ordinary citizens who might have gone through a short period of being un or underemployed. We've all known people who've been impacted by foreclosure in some way, whether it be directly or family, friends or neighbors.

The stories followed similar themes, banks weren't fighting fair and the citizens were suffering. Distressed homeowners were being dual tracked, given incorrect information, shuffled from department to department, paperwork was lost repeatedly, and on and on. Homeowners were being thrown out of family homes, even though they were attempting to work with their mortgage holder and make payments in a timely manner.

During the 2012 Session, Senate Bill 1552 was passed requiring mandatory mediation for all non judicial foreclosures. The mediation program has shown that it works, when banks actually use it. In fact, as reported in a recent Oregonian article, US Bank went on the record as stating that it is very effective. Unfortunately, many banks have chosen to file judicial foreclosures rather than going through the mediation program. This indicates the mediation program must be extended to judicial foreclosures as well. Bipartisan Senate Bill 558 closes one of the loopholes that allow banks to avoid accountability.

I strongly urge you all to support Oregon homeowners by supporting Senate Bill 558 in its current form.

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