

Mediation for Homeowners in Judicial and Non-Judicial Foreclosure

YES on SB 558A

NEDCO (Neighborhood Economic Development Corporation) respectfully urges your support of SB 558A, which would ensure that struggling homeowners have the opportunity for mediation in front of a neutral third party prior to the initiation of a foreclosure, regardless of whether the lender chooses the judicial or non-judicial process.

- **SB558A is designed to prevent foreclosures whenever possible, and when a foreclosure is unavoidable, to allow for a timely and intentional transition from the home.** With the community-wide cost of every foreclosure in the tens of thousands, this program is crucial to the economic recovery of Oregon families.
- **SB 558A was developed with careful input from foreclosure counseling agencies such as NEDCO, to maximize participation and positive outcomes:**
 - Streamlines the process for homeowner participation;
 - Facilitates access to foreclosure counselors to help homeowners understand their options and prepare for mediation;
 - Provides for adequate and timely exchange of relevant paperwork, so that the negotiation can reach a meaningful resolution;
 - Ensures bank compliance by providing enforcement authority.
- **SB 558A covers the largest banks while exempting Oregon's small local banks and credit unions.** More work may be needed to ensure access for homeowners with large national independent servicers, but SB 558A provides a solid start.
- **Pre-foreclosure mediation ensures that homeowners have access to reasonable alternatives *before* either the strict timelines and legal fees of a judicial foreclosure, or the quagmire of a non-judicial foreclosure.**

SB 558A will ensure that more Oregonians facing foreclosure have access to solid information and a real opportunity to work with their servicer to avoid foreclosure.

We urge your Aye vote.

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