



March 25, 2019

Joint Ways and Means Subcommittee on Transportation and Economic Development
900 Court Street NE
Salem, Oregon 97301

Co-Chair Manning, Co-Chair Gomberg and Members of the Committee:

My name is Karen Saxe and I work at NEDCO and Willamette Neighborhood Housing Services, two nonprofit affordable housing development and counseling agencies that merged as of January 1st. NEDCO and Willamette Neighborhood provide financial and pre-purchase education and counseling as well as foreclosure prevention counseling throughout our four offices, serving residents in Lane, Linn, Benton, Lincoln, Marion, and Clackamas Counties.

Our agency began providing foreclosure prevention counseling as a direct response from the need and demand of Oregonians during the recession. We are part of a network of agencies that help Oregonians facing foreclosure analyze their financial situation, explore available options and advocate on their behalf with their mortgage servicer.

The Oregon Foreclosure Avoidance (OFA) program is a lifeline for Oregonians attempting to solve their mortgage crisis, it creates an opportunity for homeowners to have a face-to-face mediation with their mortgage servicer. Our counselors provide neutral, third-party support to help homeowners prior to the mediation session, they navigate a system that often provides limited or incorrect information to homeowners and attend the mediation sessions with homeowners as their advocate in the OFA program. Since its inception, counseling for the OFA program has been funding through general funds. And, although it was not included in the Governor's Budget, the legislature can fix this. We urge your support of funding for foreclosure counseling in the amount of \$1.24 million.

As an organization that creates new affordable rental and homeownership opportunities, we understand the distinct benefit and cost savings to keep low and moderate income Oregonians in their homes. Foreclosure prevention counseling does just that, and for a fraction of the cost of new affordable housing development. Foreclosure prevention counseling works. The need and demand for foreclosure prevention services is still present throughout Oregon. Communities are continuing their path to recovery even a decade post-recession; industries and wages have not rebounded and many Oregonians are only one event away from a mortgage crisis.

It is imperative that we preserve the homes low-income Oregonians are already in to keep their families stable. Foreclosure prevention counseling does just

212 Main Street
Springfield, OR 97477
T (541) 345-7106
F (541) 345-9584

437 Union Street
Salem, OR 97301
T (503) 779-2680
F (503) 779-2682

421 High Street
Suite 110
Oregon City, OR 97045
T (503) 655-8974
F (503) 303-4763

www.nedcocdc.org



March 25, 2019

that. We know that foreclosure prevention counseling works, families entering the Oregon Foreclosure Avoidance program come to an agreement with their mortgage servicer over 70% of the time. These agreements avoid immediate displacement of families into a rental market that is severely burdened or becoming homeless.

As you heard from Director Salazar last week, Oregon Housing and Community Services has no other sources available to support foreclosure prevention counseling. Without the support by the Legislature, the network of foreclosure prevention counselors will be eliminated as of June 30, 2019. The robust systems and deep knowledge of our counseling team will go away. No Oregonian facing a mortgage crisis would have the opportunity to work with an advocate, they will be left on their own.

You can change this. You can provide resources, \$1.24 million for the 2019-2021, for foreclosure prevention counseling to ensure that Oregonians can count on a knowledgeable team of experts to support them and their families during this difficult time. Kids succeed in school when they know their family has a safe, affordable place to call home, families are more engaged in their neighborhood and community and employers can rely on a more stable workforce. We thank you for what the Legislature has previously done to support OFA counseling funding and urge your continued support for funding for foreclosure counseling.

Sincerely,

Karen Saxe
Director of Asset Building Programs
NEDCO and Willamette Neighborhood Housing Services

212 Main Street
Springfield, OR 97477
T (541) 345-7106
F (541) 345-9584

437 Union Street
Salem, OR 97301
T (503) 779-2680
F (503) 779-2682

421 High Street
Suite 110
Oregon City, OR 97045
T (503) 655-8974
F (503) 303-4763

www.nedcocdc.org