



**Testimony in Support of SB 820 Dash 1  
Senate Housing Committee  
April 8<sup>th</sup>, 2019**

Chair Fagan, Vice-Chair Heard, and members of the committee,

Thank you for the opportunity to submit testimony on behalf of the Oregon Law Center (OLC) in support of SB 820 with the Dash 1 amendments. The bill as amended would allocate resources to the Oregon Housing and Community Services Department to ensure continued access to foreclosure counseling services for homeowners at risk of foreclosure who are participating in Oregon's Foreclosure Avoidance Mediation Program.

The Oregon Law Center's mission is to achieve justice for low-income Oregonians by providing a full range of the highest quality civil legal services. One of the most important issues in the lives of our clients is the challenge to find or maintain safe and stable housing. Housing is about opportunity. Without safe and stable housing, it is difficult or impossible for low-income families, seniors, and others to hold down employment, keep children in school, maintain stable health care supports, or access neighborhood amenities. For these reasons, OLC has prioritized policy solutions that best improve housing stability for our clients, and that best protect our clients against the unfair loss of this foundation.

OLC was part of a team of stakeholders statewide who worked hard, along with bi-partisan legislative leaders, to put systems in place to help struggling homeowners protect themselves from the massive wave of foreclosures that continued to devastate our state and much of the nation less than a decade ago. In 2012 and 2013, the legislature provided struggling homeowners with the statutorily mandated opportunity to sit down with their lenders to negotiate whether there are alternatives to foreclosure. The Oregon Foreclosure Avoidance (OFA) Mediation Program has substantially increased the number of homeowners receiving foreclosure avoidance workouts, and decreased the time it takes to finalize each workout. This program has saved so many Oregonians the loss of housing stability.

The availability of foreclosure counseling for homeowners who are preparing for their mediation meetings is absolutely critical to the success of the OFA program. The foreclosure process is incredibly complex and confusing. Without access to the advice and expertise of a foreclosure counselor prior to mediation, homeowners fail to understand their opportunities, struggle to understand paperwork, and run the certain risk of losing their homes forever. With the advice of a counselor, more than 70% of OFA participants are able to stay in their homes and avoid foreclosure. For those homeowners for whom retention is not the best choice, counseling can help them negotiate reasonable move-out options that minimize disruption as much as possible.

Data collected by the Oregon Housing and Community Services Department indicates that Oregon's homeownership rates lag behind the rest of the nation. Homeownership is particularly out of reach for communities of color in Oregon.<sup>1</sup> The Center for Responsible Lending reports that foreclosure disproportionately impacts African-American and Latino homeowners. Ensuring that struggling families have access to counseling services and the OFA program will benefit the housing stability of Oregonians for generations to come.

The network of non-profit, community-based, and culturally-specific housing counseling programs cannot continue to provide specialized foreclosure counseling services without renewed funding. It would be a disservice to homeowners statewide if they were left without access to counseling. Lack of access would have a disproportionate impact on rural and the most vulnerable homeowners, who would face extra challenges in finding expert counseling services in the private market.

In closing, we hope the committee will prioritize the stability of service provision to homeowners statewide by approving Senate Bill 820 with the Dash 1 amendments, to allocate funding for counseling services through the next biennium. We thank you for the opportunity to comment, and would be happy to provide more information if that is of assistance. Thank you for your service to the State and to Oregonians.

Sincerely,

Sybil Hebb

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<sup>1</sup> <https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/150812>