## SB 820 A    STAFF MEASURE SUMMARY

**Senate Committee On Housing**

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| **Action Date:** | 04/08/19 |
| **Action:** | Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.) |
| **Vote:** | 5-0-0-0 |
| **Yeas:** | 5 - Fagan, Golden, Heard, Knopp, Monnes Anderson |
| **Fiscal:** | Fiscal impact issued |
| **Revenue:** | No revenue impact |
| **Prepared By:** | C. Ross, Counsel |
| **Meeting Dates:** | 4/8 |

**WHAT THE MEASURE DOES:**

Appropriates $1,240,000 General Fund dollars to Oregon Housing and Community Services for 2019-2021 biennium, for foreclosure counseling for at-risk homeowners. Declares emergency, takes effect July 1, 2019.

**ISSUES DISCUSSED:**

• Success and value of foreclosure prevention versus cost of assistance post-foreclosure
• Foreclosure trend is down since peak of recession, but new normal may be that most homeowners are one crisis away from threat to home ownership
• Federal funds set to run out by end of current biennium

**EFFECT OF AMENDMENT:**

Replaces the measure.

**BACKGROUND:**

The Oregon Foreclosure Avoidance Program was originally created by Senate Bill 628 in 2009 and has been modified over time. The program entitles most homeowners/borrowers, at risk of foreclosure, to meet and negotiate directly with their lender to attempt to reach an agreement that would avoid foreclosure. The program has been funded through fees paid by both lenders and homeowners. The counseling portion of the program has been funded by the Legislative Assembly through the General Fund, and administered by Oregon Housing and Community Services (OHCS). OHCS provides a network of counselors that support homeowners by helping them prepare for mediation, and navigate a system that provides them with limited information. Over 70 percent of homeowners who access counseling in advance of mediation, succeed in negotiating an agreement with their lender to stay in their home.

Senate Bill 820-A maintains administration of the Foreclosure Avoidance Program by appropriating an additional $1,240,000 General Fund dollars to Oregon Housing and Community Services for the 2019-2021 biennium.