



We build strength, stability, self-reliance and shelter.

June 24, 2020

Dear Co-Chair Courtney, Co-Chair Kotek and Members of the Joint Interim Committee of the First Special Session of 2020:

My name is Shannon Vilhauer, and I am the Executive Director of Habitat for Humanity of Oregon. I am writing to express our organization's strong support for HB 4204.

Today, Habitat for Humanity affiliates based in 26 communities across Oregon are actively building, selling and repairing homes. Each year, approximately two-thirds of the homes we build and sell are located in rural parts of the state. Thanks to Habitat's diligent homebuyer selection process and thorough financial education, our mortgage repayment rate exceeds 98 percent. Together we have made the dream of stable and affordable homeownership a reality for over 2,600 Oregon households. Habitat for Humanity's work is guided by the core value that every Oregonian deserves a safe, stable and affordable place to call home.

Our neighbors and communities have been hit hard by the realities of COVID-19. Before the coronavirus pandemic, more than 18 million families in the United States were already spending half or more of their income on housing. Now, with more than 40 million individuals filing for unemployment, the situation has worsened. For far too many Oregonians, sheltering in place isn't as straightforward as it sounds. Families are facing additional economic hardship from lost wages or layoffs and are increasingly confronted with choosing between shelter and life's other essentials. Please act today, to ensure that Oregonians of all income levels can enjoy the health and economic benefits of a secure place to call home during this critical time.

We know that many for profit lenders will work diligently to help Oregon families remain stable. Unfortunately, as we saw during the mortgage crisis in 2007-09, our nation's lending system isn't structured to ensure maximum household stability. HB 4204 provides critical assurances for mortgage holders experiencing economic instability. This legislation enacts both a foreclosure moratorium and ensures that missed payments will move to the end of the mortgage as a balloon payment. This COVID-19 relief legislation is critical, in that it will provide uniform and predictable outcomes for homeowners experiencing coronavirus related financial instability.

The balloon payment model outlined in HB 4204 mirrors the approach adopted by Fannie/Freddie/FHA. Unlike federal forbearance, the version in HB 4204/LC 85 allows a lender to charge interest in the balloon payment, ensuring that they are made whole.

Habitat for Humanity of Oregon supports this approach because it will ensure the following results:

- Allow the current homeowner(s) to remain stable during a financially vulnerable time.
- Ensure that mortgage holders receive fair and consistent treatment.

- Provide a timeline that enables homeowners to stabilize their income and access critical resources such as the Oregon Homeowner Stabilization Initiative (OHSI) that can satisfy up to \$40,000 in arrears per household.
- Avoid a time intensive and costly foreclosure process that displaces people who have made steady mortgage payments for many years.

Amidst the COVID-19 pandemic, we find ourselves living in challenging and unprecedented times. The need to work together as a community has never been greater. At the same time, for all of our health and safety, we're called upon to practice social distancing to curb the spread of the coronavirus. As each of us stays at home to save lives, the importance of having a safe and stable home has never been greater.

On behalf of the Board of Directors of Habitat for Humanity of Oregon and the 26 Habitat for Humanity affiliates we serve, thank you for your service. We appreciate that many challenging decisions lie before each of us in the coming months and commit to working together at the local, state and national levels to alleviate potential harms. We will rally with you, the homeowners and communities we serve in mutual support and care.

Thank you,



Shannon M. Vilhauer, Executive Director