

SUBCOMMITTEE RECOMMENDATION

Item 30: Housing and Community Services Department Homeowner Assistance Fund

To: Ways and Means Full Committee
From: Transportation and Economic Development Subcommittee
Carrier: Representative Gomberg

The Transportation and Economic Development Subcommittee recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$39,769,368 in the Federal Funds expenditure limitation for the Housing and Community Services Department in a budget reconciliation bill during the 2022 legislative session, for assistance to financially distressed homeowners.

Oregon has been awarded a total of \$90.9 million for financial assistance to distressed homeowners under the American Rescue Plan act. The purpose of the program is to prevent defaults and foreclosures. The legislatively adopted budget included \$32.9 million and 23 positions (19.88 FTE). This recommendation brings the total recommended expenditure limitation for the program to \$72.8 million. The balance of the award is anticipated to be expended during the 2023-25 biennium.

The program is intended to serve as a program of last resort for homeowners in financial distress. Priority is being given to homeowners currently in foreclosure. With a maximum assistance amount of \$50,000 per household, the program is anticipated to serve 1200 households over the life of the program. Eligibility, guidance and reporting criteria are not compatible with the Treasury-funded foreclosure avoidance program administered in previous biennia; new systems, criteria, processes, staffing and program management are required to meet federal administrative and reporting requirements.

The Subcommittee recommends approval.