

And so the madness continues

Foreclosure reform hits a GOP roadblock in the Oregon State Legislature, ensuring that outside the marble halls, families will continue to lose their homes.

BY ANGELA MARTIN
CONTRIBUTING WRITER

As the head of a non-profit advocacy and policy organization, I am dedicated to protecting the financial interests of Oregon consumers. Although our group's mission aims to cover all realms



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of consumer advocacy, the housing crisis means we spend a great deal of time on foreclosures. It's overwhelmingly the number one issue consumers call our office about. By the time they come to us, most consumers have already exhausted the typical avenues of seeking help through housing counselors and federal programs. Most of them truly are just exhausted – dealing with a

seemingly never-ending process of filling out paperwork, being spun in circles, trying to get straight answers from their bank and frankly dealing with a system that simply isn't working.

This is why our group worked with lawmakers to carefully craft legislation to address some of the most

common and preventable causes of foreclosure. During the short February legislative session, we supported legislators in their efforts to pass three foreclosure reform bills. Due to the power of just one Republican Representative, Gene Whisnant of Sunriver, the House bills were dead within a week as he refused to give them a hearing. We were undeterred, and continued to work hard on the Senate. Thanks to the dedication of several bipartisan senators, the compelling testimony of homeowners from across the state, and an overwhelming public support for addressing this issue, the Senate successfully passed both SB 1552 and SB 1564.

SB 1552 would implement a mandatory mediation program in Oregon, giving homeowners facing foreclosure or those deeply underwater a chance to sit down with their lender and a neutral third party to

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discuss alternatives to foreclosure. Twenty-one other states, including Washington, already have similar programs in effect. The foreclosure-avoidance rate from well-structured programs is upward of 50 percent – a figure that would go a long way toward finally ending Oregon's foreclosure

landslide. SB 1564 would end the dual track process in which a homeowner is simultaneously negotiating for a loan modification while in active foreclosure.

To show you how necessary these protections are, I think it's best to show you an example of what happens to homeowners without these protections.

I recently had the opportunity to meet Salem resident Ginny Real at a community foreclosure forum put

on by Economic Fairness Oregon. Fighting back tears, Ginny shared the story of how she lost her south Salem home. She and her husband lived there for 24 years. They had a comfortable life. They were happy. But when her husband suffered major medical issues and required brain surgery, he and Ginny realized they would need to restructure their finances. They sought a loan modification to the \$54,000 remaining on their home that was worth more than \$150,000, but were strung along for months, resubmitting piles of paperwork multiple times. One day last July, Ginny got the news she had waited so long for: The bank said

her modification had gone through. But the next day, her home was sold on the courthouse steps. She and her husband were left homeless for several weeks until they finally secured a place to live with relatives.

Had SB 1552 & SB 1564 been in place last summer, Ginny would have had the chance to sit down with her lender and a neutral party to discuss ways to restructure that remaining \$54,000. Her bank also would have been required to make a decision on her mortgage modification request before selling her home out from under her.

While there was broad bipartisan support for these bills in the Senate, the story was much different in the House. An unfortunate truth of politics is that sometimes it doesn't matter what the majority believes in, the power can be placed in the hands of a certain few who choose to block progress to advance their own agendas, or sometimes simply because they can. That's exactly what happened when a handful of House Republicans chose to make a political power play out of one of the most important issues facing Oregonians.

Instead of following the bipartisan example set by their Senate colleagues, House Republican leadership issued an amendment to SB 1552 that read like a Christmas gift to the banking lobby. Their amendment would have actually rolled back existing foreclosure protections. These weren't the reforms that families like Ginny's so desperately need, and they weren't acceptable to the advocates, legislators, and homeowners who have worked so hard to craft policies that will actually make a difference.

At the time of this writing, last-ditch negotiations were still ongoing in the House in an attempt to rescue SB 1552 and 1564.

By the time you read this, their fate will likely have been decided. (Visit economicfairnessoregon.org to find out the latest.)

Regardless of the outcome, one thing is clear: The fight to protect struggling families is far from over. The big banks have an enormous amount of money and an army of lobbyists at their disposal—not to mention several legislators who are all too willing to do their bidding.

Standing in the corner of regular Oregonians are organizations such as Economic Fairness Oregon who are fighting tooth and nail to level the playing field. But we can't do it alone. We need your help to hold legislators accountable to all Oregonians, not just corporate special interests. Here's how you can help:

- Register to vote and then head to the polls. There are nearly 800,000 eligible voters in Oregon who aren't registered. Are you one of them? (Head to Oregonvotes.org to register online.) This is an election year, and that means if your elected officials didn't represent your best interests, you can vote for someone else.

Make your voice heard. Call or email your legislators and make sure they're committed to protecting the needs of Oregon families. If you need help finding your legislator, send us an email at angela@economicfairness.org.

Bringing our economy back to a system that works for the people instead of against them is no easy feat. It is riddled with setbacks. But it's also rife with opportunity. We are finally on the brink of rewriting rules of fair play and corporate accountability, but it will require our collective voice and action to get there – please join us in our mission and take part in helping us rebuild a financial system that benefits us all.



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