

# Homeowners facing foreclosure need accurate information

BY JANET BYRD  
CONTRIBUTING COLUMNIST

Janet Byrd is the executive director of Neighborhood Partnerships and convener of the Housing Alliance. The Housing Alliance brings together advocates, local governments, business interests and all others dedicated to increasing the resources available to meet our housing needs to support a common statewide legislative and policy agenda.

A stable place to call home gives people the chance to build a better life for themselves and their families. The thousands of Oregonians facing the uncertainty of foreclosure have new hope for stability because of recent legislative action.

One out of every five Oregon homeowners is "under water" and owes more on their home than it is worth. One out of 11 is either in default or is 30 days late on their mortgage payments. These financial strains have repercussions throughout families and communities. Foreclosures are a drain on physical health, and the stress makes family life harder. Because owning a home plays such an important role in maintaining a household's financial stability, foreclosures have impacts for many years on family opportunities and prospects, including education and employment. Communities are hurt by foreclosures as well – by vacant homes, a loss of community vitality, and decreased home values. The recent Street Roots cover story ("Boarded up," May 11) highlighted the problems caused if these vacant homes are not maintained.

Two big steps were taken in Salem that offer hope: important policy changes that go into effect next month, plus new resources available to homeowners. Together, these have the potential to shift the balance and start Oregon down the path to more stable families and communities.

In early March, in the last hour of the legislative session, policy makers came together to pass Senate Bill 1552, which was then signed into law by Governor Kitzhaber on April 11. This monumental legislation will address the overwhelming tide of foreclosures which has been threatening to permanently undermine the foundations of our state. It provides homeowners facing foreclosure with new tools and access to accurate information which will help equip homeowners to make good decisions about their future.

In May, the Legislature met in Salem for a few days of work. They took another big step forward on this issue and approved a

spending plan for part of the \$29.25 million that the state received this spring as part of a settlement of a national lawsuit against five large banks. Together, the policy changes plus the monetary resources will create a complete system to protect homeowners from bad practices and give them access to needed resources, information and assistance.

The legislation goes into effect on July 11. After that date, homeowners will be able to ask for a mediation session before their homes can be foreclosed upon. The goal of mediation is to help both parties come to an informed decision, and to resolve the situation without going through the trauma and expense of foreclosure.

Before mediation, both homeowners and lenders will share information with each other, and homeowners will get information about their options and prospects from a housing counselor. Not every homeowner will get to stay in their home, but we expect that many will benefit from the many programs and resources that have been set aside to help with refinancing or with paying down mortgage balances. Homeowners that do end up losing their homes will have more notice and hopefully will be able to negotiate a smooth transition.

Access to understandable and reliable information about options may sound unremarkable, but homeowners facing foreclosure need accurate and high quality information most of all. There have been so many changes in who mortgages and how, and so many alternate solutions proposed, that many folks have given up trying or lost track of changes. Information as simple and critical as which bank owns a mortgage may be hard to find. Mediation will help homeowners get the information they need and will give them access to someone from their lender who is empowered to make decisions about their loan. This simple step has been missing for too many homeowners for too long.

Neighborhood Partnerships and the Housing Alliance are working hard with all of our partners to ensure that homeowners will be able to access the information and

resources they need, when they need it. Together, we have envisioned a system with five parts:

1. Coordinated, strategic outreach to homeowners to inform them about their options and help them access the services they need.

2. Counseling to homeowners through certified foreclosure counselors. Homeowners can learn more about the basics of foreclosure and their rights and responsibilities, and go on to access one-on-one counseling sessions and assistance preparing for mediation.

3. Mediation with their lender and a neutral third party mediator. The law guarantees access to mediation. Mediation can help homeowners understand and realize their options – whether that's staying in their home, selling through a short-sale, or another option that best meets their needs and circumstances.

4. Legal assistance for homeowners with lower incomes who need legal advice for more complicated circumstances.

5. Connecting homeowners to other available assistance programs, and ongoing evaluation about what is working for Oregon homeowners and communities

The new foreclosure law has great potential to positively impact thousands of homeowners across Oregon. Together we can create a system that fully utilizes the policy changes and settlement dollars to benefit homeowners in need of assistance and help stop the negative effects of foreclosure on our communities, our economy and our state.

The Legislature's action in May to provide the initial resources to this system is a huge victory. The Department of Justice and Oregon Housing and Community Services had requested a first investment of \$9 million, and will receive \$7.6 million. Our plan is to return to the Legislature and report on our progress in September, and request additional needed funds in December. We assume that the Legislature will once again rise to the challenge and take action for Oregon communities.

# Community planning process needs balance of social justice

BY ROB SADOWSKY  
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Most cities do not enter into a comprehensive community decision-making process to install transportation projects. Projects are designed and built with little to no

involvement from neighborhood residents and business owners. Here in Portland, we go the extra mile to engage community representatives in planning, design and

implementation of transportation concepts and specific projects. There are a host of great reasons why this makes sense and another host of great reasons why community engagement is frustrating.

On the positive side of the scales, each of us has an opportunity, if we choose, to get involved. We can attend community meetings of our neighborhood association and review proposed plans for important projects like the Portland Milwaukie Light Rail or the 50s Bikeway. Projects have changed, expanded, and even completely stopped because citizens have stepped up and voiced their ideas and concerns.

Residents and business owners gain a greater understanding of transportation networks in their neighborhood and are more likely to keep new facilities in good shape if they feel more connected to the

project. Our needs can be better addressed when we voice them clearly.

On the negative side of the scales, not all users of a specific street live or work in the neighborhood. What of their concerns and needs? A community process can give more voice to local residents than other important users such as truck drivers, bus operators, and other travelers. Some projects are considered of such importance that neighborhood residents' needs and concerns can be lost in others' needs and concerns. The Columbia River Crossing project is a classic case where residents might argue that we have defined to broadly the key stakeholders who advise on the project.

After living in Chicago for 21 years, I prefer our model to that where community is not engaged in the planning of transportation projects; where leaders get their power not from voting citizens but from the bigger checkbook. It might take more time than our planners and engineers like. It might take more effort to go back to the drawing board when original plans need to be changed to meet the needs of the community. Ultimately, we will have a transportation system that is more likely to be healthier and meet our growing needs.

We do have serious risks in our community planning that we should always pay attention to: planning only for current residents fails to take into account future needs and unless we make special effort to integrate the needs of disenfranchised community members, we run the risk of creating transportation systems that assist in

exclusionary policies. There is a significant battle being drawn in Clackamas County right now over the future of public transit. A group of citizens are calling for a halt on spending any funds for transit, potentially putting a halt to future active transportation in the region. These citizen groups seek to protect their own interests and vision for the county as well as question the expenditures of public funds toward transit. I argue that this is shortsighted and will put a halt to a future region that allows for more people to participate in the economic benefits and beauty that is in Clackamas because of a transportation system that benefits those who can afford to drive and penalizes those that do not.

So we have a challenge. We need to fit future planning and the broader social benefit into these community plans. We can do that by establishing clear outcomes and goals that meet those needs. We can do that by ensuring those who have fewer resources have opportunities to be engaged, not ignored. We can do that by getting involved ourselves and voicing our own concerns and keeping issues of social justice in and not out. Join the healthy streets movement and become engaged in a project near you.

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Healthy Streetbeat is a monthly column for Street Roots written by the Bicycle Transportation Alliance (BTA). Our contributors are Rob Sadowsky, executive director, and Margaux Mennesson, communications director.