



## Senate Community and Urban Affairs Committee Testimony February 7, 2019

Good morning Committee Chair Senator Singleton and Vice-Chair Rice. My name is Arnold Cohen and I am Senior Policy Coordinator for the Housing and Community Development Network of NJ. Here with me is our CEO Staci Berger. The Network is a statewide association of 150 community developers and another 100 private sector partners working to ensure everyone has a great place they can afford to call home.

First I want to thank Senate Committee Chair Senator Singleton for his leadership in putting together this package of bills to address the foreclosure crisis. The Housing and Community Development Network of NJ was proud to be asked to be part of the discussions with other stake holders to comment on these bills when they were in draft form. Together these bills are a comprehensive package to address what has continued to be a major issue for our State – we continue to lead the nation in foreclosures with one in every 605 properties in some stage of foreclosure in 2018. These bills will help address this issue.

Now I want to testify on S1244 sponsored by Senators Rice and Singleton. The Housing and Community Development Network of NJ is the State's largest HUD intermediary for foreclosure counselors. Our members are on the front line of this problem. They need the tools from the State to be able to help their clients address foreclosure. The New Jersey Foreclosure Mediation Act established in 2009 is one of those tools. It helps homeowners and lenders come up with a mutually acceptable agreement to avoid foreclosure. This bill codifies the Foreclosure Mediation Program into law and makes improvements to the program. With the passage of this bill, a homeowner must receive written notice in English and Spanish that they can participate in the program both with a notice at the time of intention to foreclose and again upon the filing of a mortgage foreclosure complaint. This is a free program for the homeowner and the lender must have a representative at the mediation session that has the authority to reach a mutually acceptable loan modification. This will help a family facing foreclosure participate and to know that mediation sessions will be fruitful. To fund the program, the bill establishes a \$75 fee on the foreclosing party. \$25 of the fee shall be used to reimburse "trained **foreclosure prevention and default mitigation counselors**". We thank the sponsors for agreeing to this amendment to the bill that we negotiated with Assemblywoman Jasey, the Assembly sponsor of the bill. As you know housing counseling is key to a Foreclosure Mediation Program and currently there is a lack of financial support for their efforts. This additional money to address the additional need for foreclosure counselors as more people make use of the Mediation Program with the passage of this is critical.

Again I want to express my full support for this bill and for the entire package of bills before you today. If these bills become law, I am sure New Jersey will join the rest of the nation in seeing the foreclosure crisis as part of our history.

P 609.393.3752 145 West Hanover Street Trenton, NJ 08618

Like us: [www.facebook.com/hcdnnj](https://www.facebook.com/hcdnnj) [www.hcdnnj.org](http://www.hcdnnj.org) Follow us: @hcdnnj