

1 A PROPOSED RESOLUTION

2 \_\_\_\_\_  
3 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
4 \_\_\_\_\_

5 To declare the existence of an emergency with respect to the need to reauthorize the extension of  
6 the District of Columbia Housing Finance Agency’s Reverse Mortgage Insurance and  
7 Tax Payment Program

8 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this  
9 resolution may be cited as the “Reverse Mortgage Insurance and Tax Payment Program  
10 Emergency Declaration Resolution of 2020”.

11 Sec. 2. (a) The District of Columbia Housing Finance Agency’s (“DCHFA”) Reverse  
12 Mortgage Insurance and Tax Payment Program (“ReMIT”) was initiated as an 18-month pilot  
13 program in the Reverse Mortgage Foreclosure Prevention Amendment Act of 2018, effective  
14 October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 42-2703.07a), and funded with  
15 \$500,000 in Fiscal Year 2019. The pilot program was extended by emergency Council action on  
16 March 31, 2020 but expires on January 28, 2021.

17 (b) ReMIT is an assistance program for seniors who are facing foreclosure on a reverse  
18 mortgage. ReMIT provides assistance in the form of a subsidy payment for reverse mortgage  
19 borrowers who are in the process of losing their homes to foreclosure from unpaid property  
20 taxes, insurance, condominium and home owner association fees. Qualified homeowners can  
21 receive up to \$25,000 to help them pay delinquent property taxes and homeowners insurance.

22 (c) A growing number of seniors across the country are facing foreclosure because of  
23 overdue property taxes and insurance. These overdue amounts are generally small in comparison

24 to the value of the home and the loan balance of the reverse mortgage but still endanger the  
25 senior's ability to maintain ownership of their property and to continue aging in place.

26 (d) According to the National Reverse Mortgage Lenders Association, there are currently  
27 2,246 reverse mortgage loans in the District. Of those reverse mortgage loans, just over 11% of  
28 them are in some stage of delinquency or foreclosure due to nonpayment of taxes and insurance.  
29 One hundred and forty cases, or 6% of delinquent mortgages, are in default status but are not yet  
30 in a loss mitigation payment plan.

31 (e) ReMIT provides much needed foreclosure prevention assistance, while at the same  
32 time placing a lien on the house to ensure the District recoups its investment once the house is  
33 sold.

34 (f) ReMIT has successfully saved 15 senior households from foreclosure over the past 18  
35 months, thereby allowing the seniors to age in place.

36 (g) ReMIT still has funds remaining to continue the program as currently only \$123,936  
37 of assistance has been disbursed out of the total \$327,353 set aside for assistance. Based upon an  
38 average assistance amount of about \$10,230, the remaining undisbursed funds could provide  
39 assistance to many additional households.

40 (h) Unless ReMIT is extended, DCHFA would be prevented from offering any further  
41 assistance to other seniors facing foreclosure due to delinquent taxes or insurance, including at  
42 least 15 applicants who are currently in the pipeline for funding.

43 (j) It is important that these changes be made to the ReMIT program so that the program  
44 may be extended for another 12 months and the program may continue to help needy District  
45 residents avoid foreclosure.

46           Sec. 3. The Council of the District of Columbia determines that the circumstances  
47 enumerated in section 2 constitute emergency circumstances making it necessary that Reverse  
48 Mortgage Insurance and Tax Payment Program Emergency Amendment Act of 2020 be adopted  
49 after a single reading.

50           Sec. 4. This resolution shall take effect immediately.