

COUNCIL OF THE DISTRICT OF COLUMBIA

MEMORANDUM

TO: Chairman Phil Mendelson
FROM: Councilmember Janeese Lewis George *Janeese Lewis George*
DATE: June 23, 2022
SUBJECT: Request to Agendize Measure for the June 28th, Legislative Meeting

I request that the following measures be agendized for the June 28th Regular Legislative Meeting:

- **Foreclosure Moratorium Extension Revision and Homeowner Assistance Fund Promotion Emergency Declaration Resolution of 2022**
- **Foreclosure Moratorium Extension Revision and Homeowner Assistance Fund Promotion Emergency Amendment Act of 2022**
- **Foreclosure Moratorium Extension Revision and Homeowner Assistance Fund Promotion Temporary Amendment Act of 2022**

On January 18, 2022 the Council passed the Foreclosure Moratorium Extension Emergency Amendment Act of 2022 to extend the foreclosure moratorium in place since 2020 as the District stood up a Homeowner Assistance Fund (HAF) program to disseminate \$50 million in federal funding to homeowners suffering financial hardship from the pandemic. At the time, the hope was that the District would open the full HAF program to all homeowners in the spring; DHCD Director Hubbard later committed to a May program launch timeline during his budget oversight hearing. However, the HAF program opened only yesterday, June 22, with only one week of minimal public promotion in advance of the launch. DC is among the last 5 states to open their HAF program.

The initial foreclosure moratorium phase-out plan relied on homeowners having at least three months (a May opening through August 31) to learn about and apply for homeowner assistance to cure debts before foreclosure actions could move forward. However, homeowners now face a less than 70-day timeline to learn about and apply for assistance; the HAF application is more complex than the STAY DC application and requires more collaboration and coordination with the housing and financing entities a homeowner is indebted to making a tight application turnaround burdensome on homeowners, lenders, condo associations, housing counseling organizations, and on the District government.

The emergency and temporary measures propose the following key revisions to the moratorium:

- Moving the HAF application deadline from August 31 to September 30, 2022: if applications for assistance are submitted (and proof of submission is provided) during this window, further foreclosure actions would be paused while an application is under

review, pending approval, pending payment, or under appeal.

- Protecting homeowners from further foreclosure action after September 30 *if*, as of that date, their application remains under review, pending approval, pending payment, or under appeal.
- Allowing notices of foreclosure or warning of future foreclosure actions to begin on July 1 but requiring those notices include information about the HAF program for which a homeowner may be eligible
- Requiring the Mayor to create an editable, sample notice for housing and financing entities to use that explains the HAF program

The additional month for HAF applications brings the original phase-out plan back into alignment with the initial understanding of DHCD's timeline for opening the homeowner assistance program (at least three months to apply) while still preserving a firm deadline for application submissions and still allowing for communication about prospective foreclosure actions to occur over the summer. These changes will help homeowners know their rights and learn about financial assistance opportunities to protect them from preventable displacement.

Copies of the draft measures are attached. Clarifying revisions are likely to occur before final circulation on Monday. If you have any questions regarding this matter, please contact Joanna Blotner, Legislative Director, at jblotner@dccouncil.us or 202-288-8985.

Thank you for your consideration of this request.

cc: Members, Council of the District of Columbia
Office of the Secretary
Office of the General Counsel
Mayor's Office Policy and Legislative Affairs