

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To preserve foreclosure protections, on a temporary basis, for homeowners who applied for funding from the DC Homeowner Assistance Fund program before September 30, 2022 and the homeowner's application remains under review, pending approval, pending payment, or under appeal, and to require regular application status updates be provided to homeowners until their application is resolved.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Foreclosure Moratorium and Homeowner Assistance Fund Coordination Temporary Amendment Act of 2022".

Sec. 2. Foreclosure moratorium.

(a)(1) From July 1, 2022, through September 30, 2022, no residential foreclosure may be initiated or conducted under section 539 or section 95 of An Act To establish a code of law for the District of Columbia, approved March 3, 1901 (31 Stat. 1274/1204; D.C. Official Code §§ 42-815 and 42-816) ("section 539 or section 95"), no sale may be initiated or conducted under section 313(c) of the Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Official Code § 42-1903.13(c)), and no judgment foreclosing the right of redemption shall be entered under D.C. Official Code § 47-1378 if:

(A) A homeowner or their representative applies for financial assistance to cure a debt or default with funds from the Department of Housing and Community

Development's DC Homeowner Assistance Fund ("DC HAF"), or a similar government fund established to assist homeowners impacted by the COVID-19 public emergency or public health emergency declared pursuant to the District of Columbia Public Emergency Act of 1980, effective March 5, 1981 (D.C. Law 3-149; D.C. Official Code § 7-2301 *et seq.*) ("financial assistance application");

(B) The financial assistance application is under review, pending approval, pending payment, or under appeal; and

(C) Proof of the financial assistance application status described in subparagraph (B) of this paragraph is presented, as a paper copy or through an electronic medium, including through communications facilitated by the online DC HAF application portal, to the mortgage lender, condominium association, homeowners association, or tax sale purchaser, or to an agent acting as a representative for any housing or financing entity to which a homeowner is indebted.

(2)(A) Beginning on July 25, 2022, a mortgage lender, condominium association, homeowners association, or tax sale purchaser, or an agent acting as a representative for any housing or financing entity to which a homeowner is indebted, may begin to send notices to warn of intention to initiate or continue foreclosure actions, but no foreclosure action described in paragraph (1) of this subsection may proceed prior to 30 days after a homeowner is first sent a warning notice.

(B) Before September 30, 2022, all foreclosure notices and foreclosure warning notices sent pursuant to subparagraph (A) of this paragraph shall:

(i) Be sent by postal and electronic mail to a homeowner's last known home and email address;

(ii) Inform the homeowner of DC HAF and the program's potential ability to cure eligible housing debts, including the specific type of debt or debts owed to the entity sending the notice; and

(iii) Explain the September 30, 2022, deadline to apply to DC HAF to delay or prevent further foreclosure action.

(3) The Mayor, or the Mayor's designee, shall ensure that a homeowner applying for DC HAF relief, or for similar government funds established to assist homeowners impacted by the COVID-19 public emergency or public health emergency declared pursuant to the District of Columbia Public Emergency Act of 1980, effective March 5, 1981 (D.C. Law 3-149; D.C. Official Code § 7-2301 *et seq.*), is provided with documentation in a timely manner that will enable the applicant to present proof of financial assistance application status as described in paragraph (1)(C) of this subsection.

(b)(1) If a homeowner submitted a DC HAF financial assistance application prior to September 30, 2022, provided proof of the application status pursuant to subsection (a)(1)(C) of, and the application remains under review, pending approval, pending payment, or under appeal as of September 30, 2022, until such time as DC HAF payments can be made or a homeowner's application is denied following appeal, if any, the homeowner shall not be subject to a:

(A) Residential foreclosure initiated or conducted under section 539 or section 95 ;

(B) Sale initiated or conducted under section 313(c) of the Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Official Code § 42- 1903.13(c)); or

(C) Judgment foreclosing the right of redemption under D.C. Official Code § 47-1378.

(2)(A) The Mayor shall make every effort to make DC HAF payments as quickly as practicable to qualified homeowners, their representatives, or housing or financing entities to which a homeowner is indebted to cure any debts or defaults eligible for assistance.

(B) The Mayor shall provide biweekly, written application status updates to all homeowners who have a DC HAF application under review, pending approval, pending payment, or under appeal until such time as DC HAF payments can be made or until a homeowner's application is denied following appeal, if any. An update may be provided electronically by way of the online DC HAF application portal.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 4. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.