

# Legal Assistance Resource Center

## ❖ of Connecticut, Inc. ❖

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### H.B. 5623 -- Eligibility for emergency housing assistance when displaced by foreclosure

Human Services Committee Public Hearing -- February 28, 2008  
Testimony of Raphael L. Podolsky

**Recommended Committee action: APPROVAL OF THE BILL**

This bill makes TFA recipients who are being displaced by a foreclosure action eligible for emergency housing assistance at an earlier and more appropriate time in the foreclosure process. It similarly makes tenants and homeowners who face homelessness eligible for the Security Deposit Guarantee Program at an earlier time. The bill solves a practical problem with providing housing assistance in such circumstances, will have negligible cost impact on DSS, and should be adopted.

Under the present statute, a TFA recipient who is a party to a foreclosure action becomes eligible for the emergency housing special need under C.G.S. 17b-808 only if a judgment has been entered and "the time limited for redemption has passed." Unfortunately, the time for redemption of the property does not pass until the very end of the foreclosure process; and a marshal can come the next day and remove from the building the owner and any occupants that were named parties in the foreclosure. This is too late in the process to start looking for emergency housing. This same time frame applies to the Security Deposit Guarantee Program under C.G.S. 17b-802. If tenants or homeowners losing their housing are to use a security deposit guarantee to find new housing, they cannot wait until the day before the household is put out on the street. In contrast, the judgment in a foreclosure action is entered much earlier in the foreclosure process.

This bill establishes the trigger date for eligibility in a foreclosure-related emergency housing displacement as the date of entry of the foreclosure judgment, rather than the expiration of the time in which the property owner can redeem the property. This change will produce a more reasonable and workable result under the statute.