



## TESTIMONY OF THE CONNECTICUT FAIR HOUSING CENTER IN SUPPORT OF SENATE BILL 89

My name is Jeff Gentes, and I manage the homeownership rights, foreclosure prevention, and fair lending unit at the Connecticut Fair Housing Center.<sup>1</sup> We write today to support Senate Bill 89, An Act Requiring The Banking Commissioner to Conduct a Study on Streamlining the Process For Transferring Properties With Underwater, Delinquent, or Foreclosed Mortgages. We want to thank Senator Leone, Representative Lesser, and the rest of the Committee for the opportunity to comment on this bill.

We know from our work on the front lines that Connecticut is still in the throes of the foreclosure crisis. About one in 15 homeowners with a mortgage are at least 90 days behind on their mortgage payments or in foreclosure.

We were part of a working group with Commissioner Pitkin that helped shape last year's Foreclosure by Market Sale bill, Public Act 14-84. The group identified "holdout" junior lienholders as a frequent impediment to short sales. The resulting legislation provided a way for homeowners and lenders to solve the problems junior lienholders cause and reach a resolution that worked for the homeowner, lender, and their community. The General Assembly can build on the work that group did and, through this bill, find ways to make it easier for homeowners to avoid foreclosure through more efficient loan modifications, short sales, and deeds-in-lieu of foreclosure. Passing Senate Bill 89 could help us avoid the negative consequences of needless foreclosures, like family dislocation, blighted properties, and strain on municipal budgets.

We suggest two changes to the bill as raised: (1) require that the study be completed this year, so that legislation with the study's recommendations could be considered during next year's legislative session; and (2) ensure homeowner advocates are involved with the study. With these changes, Senate Bill 89 would promise an opportunity to continue your good work in minimizing the effects of the foreclosure crisis on Connecticut homeowners, neighborhoods, and municipalities.

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<sup>1</sup> The Connecticut Fair Housing Center is the only statewide nonprofit providing representation and advocacy for homeowners facing foreclosure. We have reached homeowners in at least 166 towns since 2010. In 2014, we provided individual advice, representation, and/or in-person education to more than 1800 homeowners facing foreclosure.