

**TESTIMONY OF ATTORNEY JEFF GENTES
IN SUPPORT OF FUNDING FOR THE
CONNECTICUT FAIR HOUSING CENTER**

Co-Chairs Bye and Walker, members of the Committee: thank you for this opportunity to speak to you tonight. My name is Jeff Gentes, and I am the managing attorney for fair lending and foreclosure prevention at the Connecticut Fair Housing Center. We are a private non-profit serving the entire state, and we are the only statewide nonprofit that represents homeowners facing foreclosure.¹ We are requesting restoration of money devoted to our foreclosure prevention work – a \$170,000 line item that had been under the Department of Housing, through the Banking Fund. The grant began three years ago following a nationwide settlement with the five largest mortgage servicers. This money has supported two foreclosure prevention attorneys and has been critical to our efforts to serving Connecticut homeowners. We are asking that the grant be restored with monies from the Banking Fund.

We are on the front lines of a severe foreclosure crisis that has spread throughout the state and which tens of thousands of homeowners are still facing. Over the past five years we have talked to homeowners in at least 166 out of Connecticut's 169 towns. Court filings rose in 2013 and 2014 when compared to 2011 and 2012, and about one in 18 Connecticut homeowners with a mortgage is either more than 90 days behind on their mortgage or in foreclosure. We are looking at another three years of a foreclosure crisis, with many years after that of homeowners "underwater" on their mortgages.

Foreclosures hurt more than Connecticut's homeowners. They cost towns and taxpayers. On average, municipalities spend \$19,000 in police, fire, and maintenance costs per foreclosure. Neighbors' property values usually drop thousands of dollars as a result of a foreclosure, and municipal and state social services are often strained when people lose their homes.

Many foreclosures can be prevented, but doing so means navigating the judicial process, negotiating with difficult mortgage servicers, keeping up with an ever-changing legal landscape, listening to those on the ground, and being on the ground. This is the work we do.

Given how much foreclosures cost towns, the \$170,000 would pay for itself if we prevented 10 unnecessary foreclosures. With help from your funding, in 2014 we provide advice, instruction, or representation to more than 1800 homeowners. We did this through individualized representation, in-person advice at six courthouse advice tables, and two large mortgage assistance events sponsored by the Governor, Attorney General, and Department of Banking, and through teaching them how to represent themselves in foreclosure through our clinics in Hartford and Fairfield County and at housing counselor orientations in New Haven, Bridgeport, Waterbury, Norwich, and Gales Ferry. We reached several thousand more by distributing our manual for homeowners facing foreclosure in both English and Spanish.

We also leverage our expertise by working with everyone else who helps homeowners facing foreclosure. We trained and supported legislative aides, more than 240 attorneys, the state's CHFA-approved housing counselors, and the Department of Banking's Foreclosure

¹ The only other nonprofit representing Connecticut homeowners facing foreclosure is the Mortgage Foreclosure Clinic at the Jerome N. Frank Legal Services Organization (part of Yale Law School.) I co-supervise that clinic and it receives most of its clients from Center referrals.

Assistance Hotline. We serve on the Judicial Branch's Bench-Bar Foreclosure Committee and on legislative task forces. We work with local groups like New Haven's ROOF Project and towns' social service directors on their foreclosure prevention efforts. Our work has been recognized nationally, and we have conducted trainings for attorneys across the country and for foreclosure mediators here and in Maine, Vermont, and Maryland. We are regularly asked to share our frontline experience with regulators and policymakers in Washington, D.C., and we make sure Connecticut's voice is heard. Your continued funding and support of our work will help prevent far more than 10 foreclosures over the next year.

The \$170,000 has helped some of the clients who have submitted written testimony on our behalf tonight. It has also helped people like Carmen from New Britain, a homeowner with mental disabilities and limited English skills. After years of failed attempts to obtain a mortgage loan modification, Carmen and her husband, José, were served with a foreclosure complaint. The loss of their home, which is fitted with a wheelchair ramp and a special bed for their quadriplegic daughter, would have been devastating.

Eight years earlier they, like many African-American and Hispanic borrowers, had been steered into an adjustable rate subprime mortgage. Their mortgage payment became less affordable each year. In 2008, medical costs related to her daughter's condition increased significantly. The subsequent family financial crisis caused Carmen and José to fall behind on their mortgage payments.

The Center's attorneys were immediately concerned about Carmen and José's ability to navigate the complex foreclosure process, given the couple's limited English and their family's multiple disabilities. Loraine Martinez, one of the Center's four foreclosure prevention attorneys and a native Spanish-speaker, took on their case and represented Carmen and José in foreclosure mediation. By the end, and despite their difficult mortgage company, Loraine had helped the couple obtain an affordable loan modification.

Thank you for your time and for your past support of the Connecticut Fair Housing Center, and please continue to support our foreclosure prevention efforts so that we can continue to help thousands of Connecticut homeowners like Carmen and José. Please do not hesitate to contact me at (860) 263-0741 with any questions you may have.