



Connecticut Fair Housing Center

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

Co-Chairs Bye and Walker, Subcommittee Co-Chair Santiago, 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 here to thank the Governor for recommending funding for the Center of \$500,000 for FY2017. However, we are requesting restoration of \$170,000 of the \$670,000 that we at the Fair Housing Center receive through a line item in the Department of Housing's budget, albeit through Banking Fund, not the General Fund. The money being cut was specifically identified as foreclosure prevention; we've received this money the past four years, and it has been critical to our efforts to serve Connecticut homeowners. Without it, the number of our attorneys handling foreclosure prevention cases will be reduced by one-fourth. This will result in a significant reduction in the number of people we represent in foreclosure court.

We are a private non-profit serving the entire state, and we are the only statewide nonprofit that represents homeowners facing foreclosure.¹ Connecticut needs foreclosure prevention attorneys. More than 20,000 homeowners in Connecticut are behind 90 days or more or in foreclosure on their mortgage, and foreclosing filings and deeds actually increased in the second half of 2015 versus the first half. In July 2015, RealtyTrac determined that Connecticut's foreclosure activity placed it as 22nd worst in the country. Despite this apparent progress (Connecticut was ranked 13th as of January 2015), June showed an increase in foreclosure filings and bank repossession rates four times those that existed prior to the housing bubble burst in 2006. The foreclosure crisis is not over in Connecticut. Homeowners continue to struggle from the fallout of the recession and the boom in subprime lending. We see the effects of the crisis every day, both in the more than 1500 homeowners we see and advise every year, and in the thousands more our partners like housing counseling and social service agencies see.

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 a judicial process that is intimidating and confusing, negotiating with difficult mortgage servicers, keeping up with an ever-changing legal landscape, listening to people in the midst of a foreclosure crisis, and being on the ground. This is the work we do.

¹ The only other nonprofit representing homeowners facing foreclosure is the Mortgage Foreclosure Litigation Clinic at Yale Law School. I co-supervise that clinic; it receives most of its clients from Center referrals.

Given how much foreclosures cost towns, the \$170,000 would pay for itself if we prevented 9 unnecessary foreclosures. With help from your funding, in 2015 we provided advice, instruction, or representation to more than 1500 homeowners. We did this through in-person advice at seven courthouse advice tables, through teaching homeowner 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 New Britain, and by representing more homeowners than ever before in court. We reached several thousand more by distributing our manual for homeowners facing foreclosure in both English and Spanish, in their tenth and fifth printings, respectively.

We also leverage our expertise by working with everyone else who helps homeowners facing foreclosure. We train and support legislative aides, more than 240 attorneys, the state's CHFA-approved housing counselors, and the Department of Banking's Mortgage Foreclosure Assistance Hotline. We serve on the Judicial Branch's Bench-Bar Foreclosure Committee and on legislative task forces. We work with local groups like churches and community organizers, and with municipal 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 9 Connecticut foreclosures over the next year.

We truly understand the gravity of the fiscal crisis the state faces and how, once again, legislators must make increasingly painful decisions each year. We understand if you cannot restore the funding but, for the sake of the homeowners whom we reach throughout the state – as of today, 167 of the 169 towns – we ask that you give serious consideration to restoring as much of our Banking Fund grant as possible.

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. Please do not hesitate to contact me at (860) 263-0741 with any questions you may have.