



Connecticut Fair Housing Center

Testimony of Jeff Gentes In Support of S.B. 472

Senator Coleman, Representative Tong, and other members of the Committee: thank you for giving me the opportunity to submit this testimony. I manage the fair lending and foreclosure prevention work at the Connecticut Fair Housing Center¹ and co-supervise the Mortgage Foreclosure Litigation Clinic at Yale Law School. I submit this testimony in support of S.B. 472, AAC The Assignment of Liens Filed By A Municipal Tax Collector.

Too often the homeowners with whom we speak face foreclosure from sketchy debt buyers who are earning 18% interest on their secured “super lien.” We would much prefer a system that encourages liens to stay with the municipalities, encourages repayments plans, reduces the interest rate charged to homeowners – that 18% is a relic of 1982, when prime rates were much higher, and increases transparency.

S.B. 472 would help in this regard. By requiring notice of a sale, taxpayers would know when they had to deal with a third party rather than a tax collector to resolve their debt. It would also reduce the surprise and confusion they face down the road from an obscure company’s collection attempts and, all too often, foreclosure action.

S.B. 472 would also help ensure that small liens stayed with towns. At least four municipalities now market their sewer liens to the debt buyer market, a wholly unnecessary practice that puts constituents at the mercy of shadowy, poorly regulated investors. Requiring that liens be at least \$2500 would, at a minimum, limit assignments to true property taxes.

Thank you for raising this bill and for taking the time to read this testimony. Please do not hesitate to contact me at (860) 263-0741 if we can be of any assistance on this bill.

¹ The Connecticut Fair Housing Center is the only statewide nonprofit that represents homeowners facing foreclosure. We have reached constituents in at least 167 towns since 2010. We provided individualized advice, representation, and/or in-person education to more than 1,500 homeowners facing foreclosure in 2015 alone.