



Testimony of
Erik C. Jorgensen
Senior Director of Government Relations & Communications
Maine State Housing Authority

Before
The Joint Standing Committee on Judiciary, April 3 2023

Neither For Nor Against

L.D. 1015 "Resolve, Establishing the Commission to Study the Foreclosure Process"

Senator Carney, Representative Moonen, and members of the Joint Standing Committee on Judiciary, I am Erik Jorgensen Senior Director of Government Relations and Communications at the Maine State Housing Authority (MaineHousing) and I am submitting this testimony neither for nor against L.D. 1015 "Resolve, Establishing the Commission to Study the Foreclosure Process".

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. We are an independent state authority (not a state agency) created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first time homebuyers and for affordable multi-family housing.

MaineHousing works with Maine banks to provide first-time homebuyer mortgages, and we are proud that our foreclosure rate is currently just under 1/2 of a percent. This rate fluctuates, but is generally very low, and we attribute this in large part to working with a loan servicer who shares our non-profit, public-purpose approach to lending. We also engage in aggressive intervention with borrowers who begin to fall behind in payments, as well as early workouts, which can preserve homeowners' ability to remain in their homes. And now, we administer the federal Homeowner Assistance Fund, which can further assist borrowers by eliminating arrearages.

With regard to this bill, our director or their designee is listed as a potential member of this commission. We would be happy to provide such a representative should this commission be established. We feel that both our specific experience, as well as our voice on issues relating to lower and middle income homebuyers, would be a perspective that will be helpful for such a commission to have. We would, however, caution the committee that we are operating at a moment that is distorted by both the pandemic and the resulting backlogs in the courts. This may not, in other words, be a "normal" time to examine the foreclosure process in Maine. Finally, we would point out that there was a study done on this same topic within the last ten years, and there still may be recommendations in that report which could be revisited before another commission is established.