



State of Connecticut

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Banking Committee February 16, 2023

Testimony in Support of H.B. 5207

AN ACT CONCERNING THE SETTING OF FIRST PAYMENT DUE DATES UNDER THE EZEQUIEL SANTIAGO FORECLOSURE MEDIATION PROGRAM

Co-Chairs Senator Miller, and Representative Doucette; Ranking Members Senator Berthel, and Representative Delnicki; and distinguished members of the Banking Committee:

Thank you for allowing me to submit testimony in support of HB 5207, AN ACT CONCERNING THE SETTING OF FIRST PAYMENT DUE DATES UNDER THE EZEQUIEL SANTIAGO FORECLOSURE MEDIATION PROGRAM.

It has come to my attention that under the Foreclosure Mediation program many banks, lending institutions and other mortgagees demand two mortgage payments from homeowners in a very short window of time or else face foreclosure. I find this deeply concerning as this program was designed to help smooth mediation between these two parties, but despite this, in certain cases, lenders have preyed on homeowners and have set them up to fail from the start of these agreements. Most of the people involved in this program are recovering from significant financial challenges, such as losing their job or dealing with high medical bills and are not fiscally stable enough to make two payments possibly less than two weeks apart from each other. There is nothing under the current law which protects these homeowners or provides mediators with the tools to keep these lending institutions in check, which is why this bill is so necessary.

HB 5207 addresses this problem with a simple but effective solution, which is to prohibit under the law any modification agreement from including a due date that is sooner than 15 days after the agreement is signed. By guaranteeing this grace period for mortgagors, the state would be providing them with time to prepare for the first payment and give them an increased chance for stability and success under this new arrangement. This also corrects a severe power imbalance between lenders and homeowners and ensures that mediation will be a more equal process in the future.

Please take this step to defend Connecticut's homeowners and safeguard their financial futures by acting favorably on **HB 5207, AN ACT CONCERNING THE SETTING OF FIRST PAYMENT DUE DATES UNDER THE EZEQUIEL SANTIAGO FORECLOSURE MEDIATION PROGRAM.**