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A BILL
25-364

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To preserve foreclosure protections, on a temporary basis, for homeowners who applied for funding from the DC Homeowner Assistance Fund program before September 30, 2022 and whose applications remain under review, pending approval, pending payment, or under appeal, and to require notices continue to be sent to homeowners informing them of the DC HAF program prior to a foreclosure action.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Foreclosure Moratorium and Homeowner Assistance Fund Coordination Temporary Amendment Act of 2023”.

Sec. 2. Foreclosure moratorium.

(a)(1) From July 1, 2022, through September 30, 2022, no residential foreclosure may be initiated or conducted under section 539 or section 95 of An Act To establish a code of law for the District of Columbia, approved March 3, 1901 (31 Stat. 1274/1204; D.C. Official Code §§ 42-815 and 42-816) (“section 539 or section 95”), no sale may be initiated or conducted under section 313(c) of the Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Official Code § 42-1903.13(c)), and no judgment foreclosing the right of redemption shall be entered under D.C. Official Code § 47-1378 if:

27 (A) A homeowner or their representative applies for financial assistance to
28 cure a debt or default with funds from the Department of Housing and Community
29 Development’s DC Homeowner Assistance Fund (“DC HAF”), or a similar government fund
30 established to assist homeowners impacted by the COVID-19 public emergency or public health
31 emergency declared pursuant to the District of Columbia Public Emergency Act of 1980,
32 effective March 5, 1981 (D.C. Law 3-149; D.C. Official Code § 7-2301 *et seq.*) (“financial
33 assistance application”);

34 (B) The financial assistance application is under review, pending approval,
35 pending payment, or under appeal; and

36 (C) Proof of the financial assistance application status described in
37 subparagraph (B) of this paragraph is presented, as a paper copy or through an electronic
38 medium, including through communications facilitated by the online DC HAF application portal,
39 to the mortgage lender, condominium association, homeowners association, or tax sale
40 purchaser, or to an agent acting as a representative for any housing or financing entity to which a
41 homeowner is indebted.

42 (2)(A) Beginning on July 25, 2022, a mortgage lender, condominium association,
43 homeowners association, or tax sale purchaser, or an agent acting as a representative for any
44 housing or financing entity to which a homeowner is indebted, may begin to send notices to warn
45 of intention to initiate or continue foreclosure actions, but no foreclosure action described in

46 paragraph (1) of this subsection may proceed prior to 30 days after a homeowner is first sent a
47 warning notice.

48 (B) Before September 30, 2022, all foreclosure notices and foreclosure
49 warning notices sent pursuant to subparagraph (A) of this paragraph shall:

50 (i) Be sent by postal and electronic mail to a homeowner's last
51 known home and email address;

52 (ii) Inform the homeowner of DC HAF and the program's potential
53 ability to cure eligible housing debts, including the specific type of debt or debts owed to the
54 entity sending the notice; and

55 (iii) Explain the September 30, 2022, deadline to apply to DC HAF
56 to delay or prevent further foreclosure action.

57 (C) After October 1, 2022, all foreclosure notices and foreclosure warning
58 notices sent pursuant to subparagraph (A) of this paragraph shall:

59 (i) Be sent by postal and electronic mail to a homeowner's last
60 known home and email address; and

61 (ii) Inform the homeowner of DC HAF and the program's potential
62 ability to cure eligible housing debts, including the specific type of debt or debts owed to the
63 entity sending the notice.

64 (D) If, prior to the effective date of the Foreclosure Moratorium and
65 Homeowner Assistance Fund Coordination Emergency Amendment Act of 2022, effective

66 November 22, 2022 (D.C. Act 24-674; D.C. Official Code § 42-851.01), a mortgage lender,
67 condominium association, homeowners association, or tax sale purchaser, or an agent acting as a
68 representative for any housing or financing entity to which a homeowner is indebted sent a
69 notice of an intention to initiate, notice to initiate, or notice to continue foreclosure actions
70 without information about DC HAF, a new notice must be sent prior to the continuation of any
71 foreclosure action informing the homeowner of the availability of DC HAF and the program’s
72 potential ability to cure eligible housing debts, including the specific type of debt or debts owed
73 to the entity sending the notice;

74 (3) The Mayor, or the Mayor’s designee, shall ensure:

75 (A) A homeowner applying for DC HAF relief, or for similar government
76 funds established to assist homeowners impacted by the COVID-19 public emergency or public
77 health emergency declared pursuant to the District of Columbia Public Emergency Act of 1980,
78 effective March 5, 1981 (D.C. Law 3-149; D.C. Official Code § 7-2301 *et seq.*), is provided with
79 documentation in a timely and ongoing manner that will enable the applicant to present proof of
80 financial assistance application status as described in paragraph (1)(C) of this subsection; and

81 (B) Editable sample foreclosure warning notices which include
82 information about debt relief available through DC HAF are published on the DC HAF website
83 for use by housing or financing entities to which a homeowner may be indebted.

84 (b)(1) If a homeowner submitted a DC HAF financial assistance application prior to
85 September 30, 2022 and provided proof of the application status pursuant to subsection (a)(1)(C)

86 of this act, and the application remains under review, pending approval, pending payment, or
87 under appeal as of September 30, 2022, until such time as DC HAF payments can be made or the
88 homeowner's application is denied following appeal, if any, the homeowner shall not be subject
89 to a:

90 (A) Residential foreclosure initiated or conducted under section 539 or
91 section 95;

92 (B) Sale initiated or conducted under section 313(c) of the Condominium
93 Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Official Code § 42- 1903.13(c)); or

94 (C) Judgment foreclosing the right of redemption under D.C. Official
95 Code § 47-1378.

96 (2) The Mayor shall make every effort to make DC HAF payments as quickly as
97 practicable to qualified homeowners, their representatives, or housing or financing entities to
98 which a homeowner is indebted to cure any debts or defaults eligible for assistance.

99 Sec. 3. Fiscal impact statement.

100 The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact
101 statement required by section 4a of the General Legislative Procedures Act of 1975, approved
102 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

103 Sec. 4. Effective date.

104 (a) This act shall take effect following approval by the Mayor (or in the event of veto by
105 the Mayor, action by the Council to override the veto), a 30-day period of congressional review

ENGROSSED ORIGINAL

106 as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
107 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
108 Columbia Register.

109 (b) This act shall expire after 225 days of its having taken effect.