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A BILL

25-862

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 2024”.

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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

75 (3) The Mayor, or the Mayor's designee, shall ensure:

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

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

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

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

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

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

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

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

100 Sec. 3. Fiscal impact statement.

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

104 Sec. 4. Effective date.

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

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

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