

A RESOLUTION

25-542

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

June 25, 2024

To declare the existence of an emergency with respect to the need to preserve foreclosure protections 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.

RESOLVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Foreclosure Moratorium and Homeowner Assistance Fund Coordination Emergency Declaration Resolution of 2024.”

Sec. 2. (a) There exists an immediate need to continue a foreclosure moratorium for certain homeowners who applied for COVID pandemic-related funding from the DC Homeowner Assistance Fund (“DC HAF”) program before September 30, 2022, and whose applications remain under review, pending approval, pending payment, or under appeal, and to require regular application status updates be provided to those homeowners until their applications are resolved.

(b) The District received \$50 million in federal assistance through the American Rescue Plan Act to assist low- and moderate-income homeowners who experienced new or exacerbated financial hardships as a result of the pandemic and, in June 2022, the Department of Housing and Community Development (“DHCD”) opened applications for DC’s Homeowner Assistance Fund program.

(c) In June 2022, the Council extended the pandemic-related foreclosure moratorium to align with the opening of the DC HAF program and required homeowners to submit an application for DC HAF assistance to cure housing debts by September 30, 2022, in order to remain eligible for foreclosure protections beyond that initial deadline.

(d) DHCD has shared that \$43.1 million of the \$50 million for DC HAF will go towards financial assistance for households and \$6.9 million will be used to cover the administrative costs of running the program.

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(e) According to DHCD's DC HAF dashboard, available at haf.dc.gov, \$39.5 million of the \$43.1 million available for assistance had been paid so far, meaning that as of the last day the dashboard was updated on June 7, 2024, \$3.6 million remained in the HAF program.

(f) DHCD's DC HAF dashboard also shows that as of June 7, 2024, DHCD had approved 1,660 HAF applications, 234 HAF applications were eligible for appeal, and 184 applications were in process.

(g) Because over 400 applications are still under review or eligible for appeal, the foreclosure moratorium protection previously guaranteed to homeowners who met the September 30, 2022, deadline for their DC HAF applications is still necessary to ensure those HAF applicants are protected.

(h) The Committee on Housing has confirmed with legal service providers that DC HAF applicants awaiting payment continue to rely on this foreclosure protection.

(i) DHCD has shared that DC HAF processing times have been delayed due to financiers' need to register with DHCD, financiers' need to verify payment details, assistance requests for multiple obligations, and required edits to applications.

(j) The Council passed the Foreclosure Moratorium and Homeowner Assistance Fund Coordination Temporary Amendment Act of 2022 on November 15, 2022, which expired on October 6, 2023. The Council then passed the Foreclosure Moratorium and Homeowners Assistance Fund Coordination Emergency Amendment Act of 2023, as well as a corresponding temporary act that will expire on July 10, 2024.

(k) Emergency legislation is necessary to prevent any potential gap in the law and protect homeowners from foreclosures as they continue to await approvals and payments from DHCD.

Sec. 3. The Council determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Foreclosure Moratorium and Homeowner Assistance Fund Coordination Emergency Amendment Act of 2024 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.