

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to extend the District of Columbia Housing Finance Agency’s Reverse Mortgage Insurance and Tax Payment Program, and to include condominium fees and homeowners association fees as approved uses of the financial assistance provided by the program.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Reverse Mortgage Insurance and Tax Payment Program Emergency Declaration Resolution of 2020”.

Sec. 2. (a) The District of Columbia Housing Finance Agency’s (“DCHFA”) Reverse Mortgage Insurance and Tax Payment Program (“ReMIT”) was initiated as an 18-month pilot program in Law 22-0168, the Fiscal Year 2019 Budget Support Act of 2018 and funded with \$500,000 in Fiscal Year 2019.

(b) ReMIT is an assistance program for seniors who are facing foreclosure on a reverse mortgage. ReMIT provides assistance in the form of a subsidy payment for reverse mortgage borrowers who are in the process of losing their homes to foreclosure from unpaid property taxes and insurance. Qualified homeowners can receive up to \$25,000 to help them pay delinquent property taxes and homeowner’s insurance.

(c) A growing number of seniors across the country are facing foreclosure because of overdue property taxes and insurance. These overdue amounts are generally small in comparison

23 to the value of the home and the loan balance of the reverse mortgage but still endanger the
24 senior's ability to maintain ownership of their property and to continue aging in place.

25 (d) According to the National Reverse Mortgage Lenders Association (NRMLA), there
26 are currently 2,246 reverse mortgage loans in the District. Of those reverse mortgage loans, just
27 over 11% of them are in some stage of delinquency or foreclosure due to nonpayment of taxes
28 and insurance. 140 cases or 6% of delinquent mortgages are in default status but are not yet in a
29 loss mitigation payment plan.

30 (e) ReMIT provides the much-needed foreclosure prevention assistance, while at the
31 same time placing a lien on the house to ensure the District recoups its investment once the
32 house is sold.

33 (f) ReMIT has successfully saved 12 senior households from foreclosure over the past 12
34 months, thereby allowing the seniors to age in place.

35 (g) ReMIT still has funds remaining to continue the program as currently only \$113,184
36 of assistance has been disbursed out of the total \$327,353 set aside for assistance. Based upon an
37 average assistance amount of about \$10,230, the remaining undisbursed funds could provide
38 assistance to many additional households. However, as a pilot program, ReMIT is set to end on
39 March 31, 2020.

40 (h) Unless ReMIT is extended, DCHFA would be prevented from offering any further
41 assistance to other seniors facing foreclosure due to delinquent taxes or insurance.

42 (i) Additionally, DCHFA reports that there is a need for ReMIT recipients to be able to
43 use ReMIT funds for condominium fees and homeowner association fees, which without such
44 assistance, they may be facing foreclosure.

45 (j) It is important that these changes be made to the ReMIT program so that the program
46 may be extended for another 6 months, condominium fees and homeowner association fees may
47 be included in the program, and the program may continue to help needy District residents avoid
48 foreclosure.

49 Sec. 3. The Council of the District of Columbia determines that the circumstances
50 enumerated in section 2 constitute emergency circumstances making it necessary that Reverse
51 Mortgage Insurance and Tax Payment Program Emergency Amendment Act of 2020 be adopted
52 after a single reading.

53 Sec. 4. This resolution shall take effect immediately.