

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To preserve foreclosure protections, on an emergency 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 that notices continue to be sent to homeowners informing them of the DC HAF program before 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 Emergency Amendment Act of 2022”.

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:

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

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

(C) Proof of the financial assistance application status described in subparagraph (B) of this paragraph is presented, as a paper copy or through an electronic medium, including through communications facilitated by the online DC HAF application portal, to the mortgage lender, condominium association, homeowners association, or tax sale

purchaser, or to an agent acting as a representative for any housing or financing entity to which the homeowner is indebted.

(2)(A) Beginning on July 25, 2022, a mortgage lender, condominium association, homeowners association, or tax sale purchaser, or an agent acting as a representative for any housing or financing entity to which a homeowner is indebted, may begin to send notices to warn of intention to initiate or continue foreclosure actions, but no foreclosure action described in paragraph (1) of this subsection may proceed prior to 30 days after a homeowner is first sent a warning notice.

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

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

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

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

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

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

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

(D) If, prior to the effective date of this act, a mortgage lender, condominium association, homeowners association, or tax sale purchaser, or an agent acting as a representative for any housing or financing entity to which a homeowner is indebted sent a notice of an intention to initiate, notice to initiate, or notice to continue foreclosure actions without information about DC HAF, a new notice must be sent prior to the continuation of any foreclosure action informing the homeowner of the availability of DC HAF and the program's potential ability to cure eligible housing debts, including the specific type of debt or debts owed to the entity sending the notice;

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

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

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

(b)(1) If a homeowner submitted a DC HAF financial assistance application prior to September 30, 2022, provided proof of the application status pursuant to subsection (a)(1)(C) of this section, and the application remains under review, pending approval, pending payment, or under appeal as of September 30, 2022, until such time as DC HAF payments can be made or a homeowner's application is denied following appeal, if any, the homeowner shall not be subject to a:

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

(B) Sale 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)); or

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

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

Sec. 3. Applicability.

This act shall apply as of November 19, 2022.

Sec. 4. Fiscal impact statement.

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

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of a veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in

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section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia