

A RESOLUTION

23-366

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

March 3, 2020

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 the Reverse Mortgage Foreclosure Prevention Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 42-2703.07a), 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 homeowners 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 to the value of the home and the loan balance of the reverse mortgage but still endanger the senior’s ability to maintain ownership of their property and to continue aging in place.

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

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

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

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

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

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

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

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

Sec. 4. This resolution shall take effect immediately.