2013 State and Federal Legislative Issues Webinar

housingactionillinois

March 1, 2013

Agenda

- General Assembly Calendar/Deadlines
- Resources to Influence Legislation
- Housing Action Illinois Supported Bills
- Bills We Oppose
- Key State Committees
- Sequestration/Federal Budget
- Key Federal Committees/IL Legislators
- Preview of Federal Legislation
- Questions and Answers

General Assembly Calendar: House Deadlines

- February 1: Final Day to Request House Bills from Legislative Reference Bureau.
- February 26: Final Day for Introduction of House Substantive Bills.
- March 22: Final Day for Standing and Special Committees of the House to Report Out House Substantive Bills.
- April 19: Final Day for Third Reading and Passage of House Substantive Bills.
- May 10: Final Day for Standing and Special Committees of the House to Report Out Senate Substantive Bills.
- May 24: Final Day for Third Reading and Passage of Senate Substantive Bills.
- May 31: Final Day for Consideration of Joint Action Motions and Conference Committee Reports.

General Assembly Calendar: Senate Deadlines

- February 1: Final Day to Request Senate Bills from Legislative Reference Bureau.
- February 15: Final Day for Introduction of Senate Substantive Bills.
- March 22: Final Day for Standing and Special Committees of the Senate to Report Out Senate Substantive Bills.
- April 25: Final Day for Third Reading and Passage of Senate Substantive Bills.
- May 10: Final Day for Standing and Special Committees of the Senate to Report Out House Substantive Bills.
- May 24: Final Day for Third Reading and Passage of House Substantive Bills.
- May 31: Final Day for Consideration of Joint Action Motions and Conference Committee Reports.

Resources to Influence Legislation

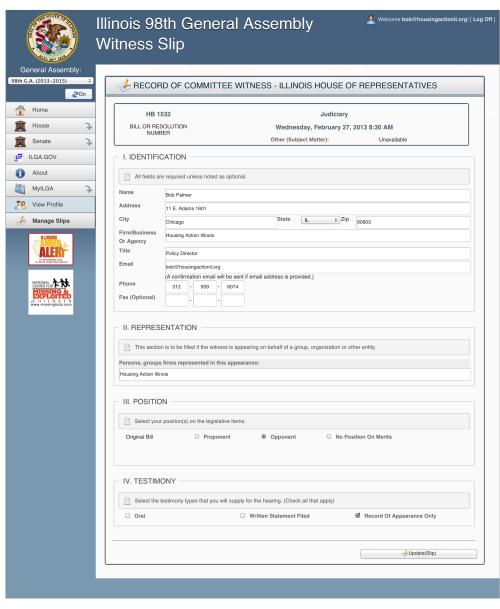
- Action Alerts at HousingMatters.net and from Housing Action Illinois email lists
- Organize Meeting with Local Legislators
- Ilga.gov: Look up and Track Legislation
- my.ilga.gov: Track Committee Hearings and Submit Witness Slips
- congress.gov: Congress and Federal Legislation
- HBOR/PTFA Working Group

ilga.gov: My Legislation



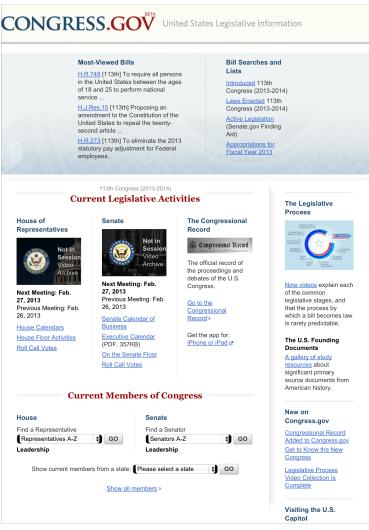
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SUPPORT SB1728—HOMEOWNER BILL OF RIGHTS (Collins-Hunter-Delgado-Martinez)

GOALS

- Get lenders to respond to applications from homeowners for foreclosure prevention alternatives— loan modifications, short sales and others—in a more timely, accurate and definitive manner.
- Move foreclosure cases out of the court system and reduce the backlog of cases in some courts.
- Put into state law many of the key reforms of the National Mortgage Settlement and apply them to all owner-occupied residential real estate with no more than 4 units.

MAJOR PROVISIONS

- Require Streamlined Response to Foreclosure Prevention Alternative Applications: Lenders will have no more than 30 days after receipt of a complete application to provide the homeowner with a detailed written acceptance or denial. Prohibits certain charges and fees. Defines timeline for appeals.
- No Dual Tracking While Foreclosure Prevention Alternative is Pending: Foreclosure process cannot move forward while a complete application is pending, or if a borrower is in compliance with the terms of an existing agreement.
- "Robo-Signing" Protections: Requires lender to ensure that documents filed in court are accurate and allows penalties for repeated violations.
- Single Point of Contact: Upon the homeowner's request, the lender much provide a direct means of communication with an individual responsible for giving timely and accurate status reports and other tasks.
- Legal Remedies for Mortgagors: A homeowner may generally bring a private right of action to stop the
 foreclosure process until the lender has corrected certain violations of the law. If the foreclosure has been
 completed, the homeowner may recover monetary damages.

Supported by Housing Action Illinois, Sargent Shriver National Center on Poverty Law, Heartland Alliance for Human Needs and Human Rights and others.

SB1602—PROTECT TENANTS AFFECTED BY FORECLOSURE (Collins-Martinez-Hunter and Delgado, Assigned to Judiciary Committee)

PROBLEM

• Tenants of foreclosed properties are, through no fault of their own, the unintended victims of the housing crisis. Current protections under federal law require a lease to be honored after foreclosure and mandate a minimum of 90 days' notice before eviction, but those provisions are due to sunset on December 31, 2014. Even with the temporary federal protections in place, Illinois tenants are often led to accept unfair "cash-for-keys" offers in return for the renter's agreement to move before their lease is up.

GOAL

• Amend the Illinois Mortgage Foreclosure Law (IMFL) and Forcible Entry and Detainer (FED) Act to provide tenants with the FED Act's existing procedural protections, to ensure existing leases are honored, to give tenants at least 90 days' notice before facing any move, and to ensure they are not pressured into leaving their homes early based upon unfair or misleading representations.

MAJOR PROVISIONS

- Applies only to residential tenancies/leases
- Routing all disputes over occupancy through the FED Act which provides a clearer and more predictable process for both lenders and tenants.
- Resolves that the residential lease survives the foreclosure; it does not prevent the eviction of a tenant for other reasons (i.e., non-payment of rent, violation of the lease)
- Clarifies that the subsequent purchaser of the property must inform the tenants how to pay rent and must only demand rent accruing after the purchase of the property.
- Requires that an occupant with an expired or expiring lease is entitled to 90 days' notice prior to eviction.
- Regulates the "cash for keys"
- A tenant or occupant can seek relief from a court of law for violations of these provisions.

Supported by Housing Action Illinois, Sargent Shriver National Center on Poverty Law, Heartland Alliance for Human Needs and Human Rights and others.

Protect Housing Subsidies (HB 1588—Currie) (SB 1795—Martinez)

Currently

- The state's Rental Housing Support Program provides rental subsidies to more than 2,500 extremely low-income households around the state.
- The Rental Housing Support Program is funded by a \$10 fee for recording real estate documents with the county recorder.
- \$9 funds the subsidy program. The remaining \$1 stays in the county and is divided between the county and the recorder's office.

The Lawsuit

- A lawsuit has been filed that claims that the fee is unconstitutional.
- The lawsuit could put the program at risk.

The Fix: What it will do

- Gives guidance to the courts and others on the goals and benefits of the program
- Makes a small change in how real estate recording fees are collected that will protect the Rental Housing Support Program funding.

The Fix: What it won't do

- It will not change what people pay to file a real estate document.
- It will not change the amount of money collected for counties.
- It will not change the division of the funds between the county and the recorder's office.

Supported by Chicago Coalition for the Homeless, Housing Action Illinois, Chicago Low Income Housing Trust Fund and others.

Other State Legislation We Support

- SB 1210 (Silverstein): Adds "housing status" as protected class from discrimination in the IL Human Rights Act. Defined as having or not having a fixed or regular residence, including the status of living on the streets, in a shelter, or in a temporary residence.
- SB 1244 (Link) and HB 2255 (Osmond): To establish a pilot program for Lake County that allows the County Board to impose a \$3 recording surcharge on real-estate related documents. The revenue generated would be used exclusively to fund a Lake County Affordable Housing Trust Fund.
- SB 1313 (Hutchinson): Creates Manufactured Home Owner Relocation Trust Fund funded by \$1 per lot monthly homeowner fee in licensed communities to be matched by landlords/developers when community is sold or closed.

Oppose HB 1532

- Allows tenants to be evicted when there has been three or more violations in a 60 day period of any state or local law "intended to preserve the peace or protect health and safety."
- Eviction procedure established by the bill includes: a five-day termination notice, a
 hearing to be held not more than 14 days after the eviction is filed at which the
 court must enter immediate judgment if it finds for the landlord, and the inability
 to stay a judgment for the landlord more than seven days.
- Landlords already have access to emergency eviction procedures under the Forcible Entry and Detainer Act in cases involving criminal activity.
- The "hearing" provided in the eviction case will not be a full trial on the merits and will deny tenants due process.
- The bill contains an exemption for situations involving domestic and sexual violence that is narrower than the current affirmative defense.

To help oppose this bill, contact Housing Action or Emily Werth at Sargent Shriver National Center on Poverty Law, emilywerth@povertylaw.org.

Oppose SB 1155

- Would allow non-home rule counties and municipalities to adopt "crime free housing ordinances".
- In home rule communities these ordinances have had adverse and sometimes illegal consequences for tenants who are survivors of domestic and sexual violence and other low-income families.
- In many, if not most, of these jurisdictions racial minorities are disproportionately represented among renter households, raising serious Fair Housing concerns.

To help oppose this bill, contact Housing Action or Emily Werth at Sargent Shriver National Center on Poverty Law, emilywerth@povertylaw.org.

Key State Committees

- Budget: House Appropriations-Human Services and Senate Appropriations I
- Foreclosures: House and Senate Judiciary Committees and Financial Institutions Committees
- Tax Policy: House and Senate Revenue Committees

Financial Institutions - Members

98th General Assembly

Members Notice of Hearing Bills

Role	Senator	Party
Member:	Sue Rezin	R
Member:	Karen McConnaughay	R
Member:	Jason A. Barickman	R
Minority Spokesperson :	Tim Bivins	R
Member:	John M. Sullivan	D
Member:	Ira I. Silverstein	D
Member:	Kimberly A. Lightford	D
Member:	Michael E. Hastings	D
Member:	Michael W. Frerichs	D
Vice-Chairperson :	Terry Link	D
Chairperson :	Jacqueline Y. Collins	D

Judiciary - Members 98th General Assembly

Members Notice of Hearing Bills

Role	Senator	Party
Chairperson :	Kwame Raoul	D
Vice-Chairperson :	John G. Mulroe	D
Member:	William R. Haine	D
Member:	<u>Don Harmon</u>	D
Member:	Michael E. Hastings	D
Member:	Toi W. Hutchinson	D
Member:	Michael Noland	D
Member:	Ira I. Silverstein	D
Minority Spokesperson :	Kirk W. Dillard	R
Member:	Jason A. Barickman	R
Member:	Darin M. LaHood	R
Member:	Dale A. Righter	R

Sequestration/Federal Budget

 On February 8, the White House released updated estimates of how sequestration would impact various government programs. The release said that sequestration would result in the loss of about 125,000 Housing Choice Vouchers, putting that many households at immediate risk of losing their permanent housing. Moreover, about 100,000 people would be removed from their current housing and emergency shelter programs due to cuts to Homeless Assistance Grants.

- Housing programs are part of the non defense discretionary (NDD) budget. These programs have already disproportionately contributed to deficit reduction through the Budget Control Act and prior spending cuts. Under the bi-partisan Budget Control Act, by 2021 NDD funding will decline to just 2.5% of GDP, the lowest level in at least 50 years.
- New fair revenues and responsible defense savings can easily produce far more than \$1 trillion over the next decade—enough to prevent harmful cuts and to invest in creating jobs so that our economy grows.

Sequestration Timeline

- March 1: President meets with Congressional leaders; President must sign executive order to implement sequestration; HUD issues letters to state and local government officials detailing cuts and basic plans
- March 4: HUD posts letters, guidance, instructions to HUD website
- March 6: NLIHC Day of Action—Call in day to Representatives and Senators

Key Federal Committees/IL Legislators

- House Appropriations: Rep. Mike Quigley
- Senate Appropriations/Transportation, Housing and Urban Development Appropriations Subcommittee: Sen. Richard Durbin and Sen. Mark Kirk
- Financial Services (Lending): Rep. Bill Foster and Rep. Brad Schneider
- Ways and Means (Tax Policy): Rep. Peter Roskam,
 Rep. Aaron Schock and Rep. Danny Davis

Preview of Federal Non-Budget Issues

- S. 47/H.R. 11: Violence Against Women Reauthorization Act of 2013: Passed!!
- Rep. Keith Ellison (D-MN): Mortgage Interest Deduction/National Housing Trust Fund
- Housing Finance System/GSE Reform (Fannie Mae and Freddie Mac)
- Housing Choice Voucher Reform/Improvement
- Oversight and Evaluation of Consumer Financial Protection Bureau (CFPB), Federal Housing Administration (FHA), HUD, USDA, Community Reinvestment Act

VAWA Reauthorization Housing Provisions

- Makes it illegal to evict a victim from federally subsidized housing for reasons related to domestic violence, dating violence, sexual assault, or stalking. The bill expands the list of federal housing programs covered under VAWA.
- Allows for the bifurcation of leases for tenants of programs covered under VAWA, if they are seeking the lease bifurcation for reasons related to domestic violence, dating violence, sexual assault, or stalking.
- Requires HUD to establish policies and procedures for emergency transfers for victims living in HUD-assisted housing, in which depending on availability, victims would be eligible for tenant protection vouchers.

For More Information

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- www.housingmatters.net

State Budget/Next Webinar

- Governor Quinn will release his FY14 state budget proposal on March 6.
- General Assembly will work to pass budget by May 31.
- Line items of particular interest: Emergency and Transitional Housing, Homeless Prevention, Supportive Housing Services, Homeless Youth, Affordable Housing Trust Fund, Rental Housing Support Program
- Webinar later in March to review budget proposal.
- April 10 Budget Advocacy Day at State Capitol