



**Senate Community and Urban Affairs Testimony on S344
Thursday, January 27, 2022**

Good morning, Chairperson Singleton, Vice-Chairperson Rice, and members of the Senate Community and Urban Affairs Committee.

My name is Matthew Hersh, policy and advocacy director of the Housing and Community Development Network of New Jersey. I am proud to represent nearly 300 community development corporations, individuals and other organizations that support the creation of affordable homes, economic opportunities, and strong communities.

The Network is pleased to support S344, which would require lenders to provide forbearance to homeowners affected by the pandemic. Homeowners would receive much-needed relief without fees, including attorney's fees, penalties, or interest. The bill also makes sure lenders do not double down on the financial burden levied on pandemic-affected homeowners by barring negative reports submitted to debt collectors or credit agencies.

This common-sense legislation is precisely the response we need as we emerge from a pandemic that has affected all homeowners, and has disproportionately affected Black and Brown communities, already hamstrung by higher rates of housing hardship than white Americans. In more at-risk communities, this disparate impact takes the form of higher rates of eviction and foreclosure, rent and mortgage delinquency, and missed utility payments.

We and other advocates have recommendations that have been shared with the sponsor in the last session to make this legislation stronger and more equitable.

The homeowners covered under this version of the bill would earn less than 150 percent area median income. The standard for qualifying homeowners should be more in line with other post-pandemic housing legislation. "Household Income" should be more specific to mean the lower of the following numbers: First, the combined income of all household members over the 12 months immediately preceding the application for assistance for protection, or, second, the combined income of all household members in the three months immediately preceding the application for assistance or annualized by multiplying by a factor of four.

This bill can have a greater impact than might even be apparent on its face. Small landlords who might own one or two properties should also have access to forbearance, potentially protecting their asset while stabilizing their rental properties and keeping tenants in place. By helping small, mom and pop landlords, this bill can help keep people safely and stably housed as we recover from the pandemic.

We look forward to working with you on this important bill and look forward to its passage.

Thank you.

Matthew Hersh
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