



FOR IMMEDIATE RELEASE

April 23, 2009

Senate Advances Major Housing Bills

Bills Boost Housing Trust Fund, Protect Renters

JEFFERSON CITY – The Missouri Senate has given final approval to a local government bill sent over from the House that includes a key amendment sponsored by Senator Jolie Justus, D-Kansas City. House Bill 376 was amended 18 times by the Senate Wednesday before being third read and finally passed. The measure now heads to a conference committee of House and Senate members who will attempt to fashion a compromise acceptable to both chambers.

The amendment sponsored by Sen. Justus will increase funding for the Missouri Housing Trust Fund, which helps Missourians facing foreclosure or rental eviction. Her amendment (similar to Senate Bill 268 sponsored by Sen. Justus and HB 713 sponsored by Rep. Shalonn “Kiki” Curls, D-Kansas City) increases the filing fee assessed on real estate transactions from \$3 to \$5. It will be used to support organizations focused on foreclosure prevention, rental assistance, and construction of affordable housing.

“In the Kansas City area, 73% of the requests from charitable organizations to help homeowners and renters have gone unfunded,” Sen. Justus said. “Statewide, there are more than \$15-million in grant requests, but the Housing Trust Fund has a balance of just \$4-million. The increase will allow the Missouri Housing Trust Fund to help

thousands of Missouri families at a time when they need the assistance the most, due to the current housing crisis. It's important to note this fee has not been increased since 1994."

Sen. Justus says the Housing Trust Fund has made a huge difference. In 2007, for example, the Coalition for the Missouri Housing Trust Fund reports 9,013 Missouri households received assistance to prevent foreclosure or eviction, 275 families received assistance with the first month's rent and deposit to obtain affordable housing, and 1,520 households were helped through the use of operating funds. Despite those efforts, 66% of all grant requests in 2007 were rejected due to a lack of funds.

The Senate this week also gave final approval to HB 836, also sponsored by Rep. Curls, which provides protections to renters facing eviction due to foreclosure. The measure requires that tenants receive notices of foreclosure and receive additional time before being evicted. In cases where a foreclosed property is lawfully occupied by a tenant who is not in violation of a lease agreement, eviction action cannot begin until 10 business days after the date the tenant receives notice the foreclosure sale has occurred. Sen. Justus had filed a companion bill with similar language in the Senate, SB 469.

"I would have preferred a longer grace period for renters to give them time to find new housing, but this bill is a good compromise that gives renters some protection against immediate eviction," Sen. Justus said. "The jump in home foreclosures means a lot of homes are now owned by banks, and banks generally force tenants to leave immediately upon foreclosure. That's not fair to a renter who has paid the rent on time."

Sen. Justus notes that in Kansas City's Eastside, between one-fourth and one-third of all subprime mortgages are held by landlords. These are the mortgages that tend to go into default, leading to foreclosure by the bank or holding company that owns the property.

"A lot of credit for this measure goes to Rep. Curls, who got these protections through the House despite a lot of opposition from banking lobbyists and others," Sen. Justus said. "Kiki led the charge in negotiations on the bill, which would not have passed without her leadership. Hopefully the final version of the bill that emerges from the conference committee will include these important consumer protections."