



**Champion Advocacy
Associates**

March 27, 2024

The Honorable Robert Craven, Sr.
Chair, House Committee on the Judiciary
State House
Providence, RI 02903

Re: H.7965, An Act Relating to Property – Mortgage Foreclosure and Sale

Dear Chairman Craven and Committee Members:

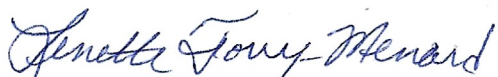
I am writing on behalf of the Rhode Island Mortgage Bankers Association (“RIMBA”) to oppose the foregoing bill.

It is well-known that there is an acute shortage of housing in Rhode Island. The proposed bill amending R.I. Gen. Laws § 34-27 to prohibit bundling and to provide to owner-occupants a first opportunity to purchase foreclosed properties risks exacerbating the existing shortage. Any additional regulatory or statutory requirements that stack on top of the existing requirements associated with foreclosure sales will cause delays and increased costs in the foreclosure process and reduce the turnover time for foreclosed properties, thus decreasing the overall amount of housing units on the market at a given time.

Additionally, the thirty (30) day period provided in H.7965 for the “first opportunity” bidders covered by the bill coincides with the thirty (30) day timeframe provided by HUD guidelines for post-foreclosure sales efforts. Essentially, the proposed bill requires the “institution” taking title via foreclosure sale to limit its sales market for the first thirty (30) days to a universe of “eligible bidders” only, while the HUD guidelines provide for post-foreclosure sale efforts for “30 days from completion of the possessory action.” In short, the thirty (30) day exclusivity period overlaps exactly with the HUD-allowed period for post-foreclosure sales efforts.

For the foregoing reasons, RIMBA opposes the adoption of H 7965.

Sincerely,


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