

**Testimony of Michael J. Piepsny, Executive Director  
Cleveland Tenants Organization  
In support of Am Sub. House Bill No. 9  
Before the Ohio Senate, Committee of Finance and Financial Institutions  
February 9, 2010**

My name is Mike Piepsny, and I am the Executive Director of the Cleveland Tenants Organization (CTO). CTO is a non-profit grassroots advocacy organization created in 1975. Its mission includes preserving and expanding the supply of safe, decent, and affordable rental housing, preventing homelessness, advocating for the rights of low and moderate income tenants, and informing tenants and landlords of their rights and duties in rental housing.

The foreclosure crisis in our community has had a significant adverse impact on low and moderate income tenants throughout Ohio. A recent study by the National Low-Income Housing Coalition concludes that approximately 40% of the foreclosures nationwide are on rental property. Similarly, a 2008 study of Cuyahoga County by Policy Matters Ohio concludes that at least one-third of the Greater Cleveland foreclosures are on rental property. These percentages mean that foreclosures are adversely affecting, annually, at least 5,000 Greater Cleveland renter households and 24,000 Ohio renter households.

As part of CTO's program service for Greater Cleveland renters, my organization operates a telephone hotline for renters who wish to learn more about their rights or responsibilities, or their landlord's rights and responsibilities, under landlord-tenant law. We respond to between 8,000-10,000 inquiries on an annual basis. For the past three years, inquiries from renters living in a property in foreclosure have steadily increased.

In 2008, in response to this growing foreclosure-tenancy problem, we developed a new program in which CTO mails directly to each of these tenants a timely written notice of the foreclosure and their rights. Policy Matters Ohio, using Case Western Reserve University's NEO CANDO database, regularly provides CTO with a list of the likely renter-occupied properties in pending foreclosure actions in Cuyahoga County. Policy Matters Ohio constructs this list by cross referencing Cuyahoga County Auditor data and U.S. Census data (non-owner occupied property) addresses with recent foreclosure filings. Since September 2008, CTO has reached out to over 7,300 renter households living in these precarious circumstances, and CTO has spoken directly to over 3,000 of these renters.

A recent survey of a sample of CTO's clients showed that households renting property in a foreclosed home lose, on average, about \$2,500 due to their forced rapid relocation. In addition, our data shows that about 6% of these renters end up in a homeless shelter, and about 65% of these renters double-up with family and friends, when threatened by an eviction.

The federal government attempted to assist these innocent victims of the foreclosure crisis with the enactment of the Protecting Tenants in Foreclosure Act of 2009. While the Act provides some help, it lacks the important notice provisions of Am. Sub. House Bill No. 9, it has a sunset provision of December 31, 2012, and it lacks the necessary teeth to offer adequate protection.

Most tenants don't know about the Act's existence and many banks continue to illegally evict tenants. While CTO has secured temporary funding (and the assistance of Policy Matters Ohio) to be proactive in Cuyahoga County, in indentifying and reaching out to this vulnerable tenant population, few (if any) other communities in Ohio have the data and resources needed to replicate these efforts. Tens of thousands of Ohio tenants, unaware of their rights under the federal Act, are still being evicted on an annual basis, through no fault of their own.

I would like to take this opportunity to quote a recent online version of The Nation, which noted that despite the federal protection: "State governments must find ways to protect not only at-risk homeowners but also renters. The social good isn't served by an already serious homelessness crisis being magnified. It isn't served by people having to find thousands of dollars for new security deposits and moving costs. It isn't served by the government and the courts turning a blind eye to illegal evictions. And it certainly isn't served by the abandonment of entire neighborhoods – some homes left vacant by owners who have disappeared, others by the evictions of tenants caught in the miserable foreclosure web. Communities can't navigate their way out of hard times unless their residents have a modicum of housing security. That security can't be attained by applying quick fixes to the mortgage industry while ignoring the vast displacement of renters that is now occurring across the land."

I encourage you to support the tenant protections that are set forth in Am. Sub. House Bill No. 9. I would be glad to answer any questions that you may have concerning any of these matters. Thank you.