

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 - 0 - 0
Yeas:	Barker, Bonamici, Cameron, Flores, Komp, Krieger, Read, Whisnant, Macpherson
Nays:	0
Exc.:	0
Prepared By:	Matt Kalmanson, Counsel
Meeting Dates:	5/24, 5/30

WHAT THE MEASURE DOES: Requires notices of foreclosure sale to include text encouraging bidders to undertake due diligence before bidding on property. Requires judgment creditors to provide sheriff, at least 10 days before the date first set for an execution sale, a copy of a report in their possession that shows interests of record in the property. Requires sheriff to make report available to bidders. Precludes civil actions based on information or omissions in report. Precludes actions to set aside foreclosure sale based on information or omissions in report.

ISSUES DISCUSSED:

- Experience of citizen who bid on a property that contained a priority lien
- Availability of information about property liens
- Duties of creditors to inform bidders about priority liens on property
- Duties of bidders to undertake due diligence
- Remedies for bidder who purchases property without knowledge of prior liens
- Nature of reports that contain information about interests of record in property
- Prohibition of lawsuits against creditor based on information in the report
- Availability of lawsuits against creditor for failing to provide report

EFFECT OF COMMITTEE AMENDMENT: Replaces the bill.

BACKGROUND: ORS 18.875 requires a judgment creditor who wishes to execute a judgment of foreclosure of an interest in real property to provide certain instructions to the sheriff. ORS 18.924 requires the sheriff to provide notice before executing the judgment. Neither statute provides that the judgment creditor must give the sheriff a list of all of lien-holders. SB 345 B would require the notice of foreclosure sale to include text that encourages bidders to undertake due diligence. It also would require a judgment creditor to provide bidders a copy of the latest report that they possess that lists interests of record in the property. However, the bill would not allow the bidder to sue the creditor based on information or omissions in the report, nor would it allow bidders to set aside the sale based on the report.