

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Without Recommendation as to Passage but with Amendments and Be Printed Engrossed and Be Referred to the Committee on Rules
Vote:	4 - 1 - 0
Yeas:	Burdick, George, Rosenbaum, Bonamici
Nays:	Girod
Exc.:	0
Prepared By:	Lori Brocker, Administrator
Meeting Dates:	3/3, 3/31, 4/9, 4/21, 4/23, 4/28

WHAT THE MEASURE DOES: Establishes foreclosure mediation program and specifies procedures for mediation. Delineates contents of required first and second notices of foreclosure sale and right to mediation, and procedure if grantor fails to receive notice. Exempts from certain notice requirements, property secured by a mortgage that a government agency holds for a loan funded through government program. Requires that trustee attest to mailing of required notice and record affidavit in county where property is located. Prescribes foreclosure settlement procedures between beneficiary and grantor. Incorporates certain provisions of federal plans relating to loan modifications and foreclosure. Defines qualified mediator. Grants Department of Consumer and Business Services certain rulemaking authority. Sunsets provisions related to mediation on January 2, 2014. Declares an emergency; effective on passage.

ISSUES DISCUSSED:

- Home Affordable Modification Program (HAMP)
- Foreclosure notice and notice publication
- Foreclosure mediation in other states
- Impact of foreclosure on housing market, communities, and neighborhoods
- Economic downturn and increase of foreclosures in Oregon
- Interplay of federal and state programs
- Insurable title in foreclosure process
- Foreclosure counseling and financial literacy
- Communicating with loan servicers and lenders
- Impact of foreclosure on lenders
- Incentive to mediate and resolve disputes
- Fees and costs in foreclosure
- Foreclosure in bankruptcy
- Mediator qualifications and fees
- Impact of modifications on monthly payments
- Oregon Department of Veterans' Affairs Home Loan Program

EFFECT OF COMMITTEE AMENDMENT: Replaces the measure.

BACKGROUND: Foreclosure on residential real estate is a significant problem throughout the country and a growing issue in Oregon. The federal government under President Obama has instituted the HAMP to assist homeowners seeking to modify loans. The HAMP does not include a formal process for mediation in foreclosure. Senate Bill 628A provides the structure for a statewide foreclosure mediation program. A number of other states currently have foreclosure mediation programs.

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This summary has not been adopted or officially endorsed by action of the committee.