

Joint Committee on Ways and Means

Carrier – House: Rep. Shields
Rep. Kahl
Carrier – Senate: Sen. Bonamici

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass with Amendments to the B-Eng Bill. (Printed C-Eng.)

Vote: 18 – 2 – 2

House

Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Garrard, Jenson, Kotek, Richardson, Shields, G. Smith

Nays: Gilman

Exc: Nathanson

Senate

Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Whitsett

Nays: Girod

Exc: Winters

Prepared By: John Terpening, Legislative Fiscal Office

Meeting Date: 6/18, 6/22

WHAT THE MEASURE DOES: Revises notice required to be delivered to grantor upon notice of default on residential trust deed. Specifies that notice include information pertaining to loan modification procedures. Requires delivery of mortgage modification request form to grantor. Specifies contents of modification request form. Requires beneficiary to evaluate information timely provided by grantor, process modification request form in good faith, and respond to grantor within 45 days of receipt. Prohibits foreclosure sale until after response to grantor's modification request. Outlines procedures if grantor timely requests meeting with beneficiary. Requires that beneficiary or beneficiary's agent meeting with grantor have authority to modify loan. Requires affidavit describing compliance with procedures. Exempts mortgages that beneficiary, in good faith, determines ineligible for loan modification. Establishes that measure does not apply to property secured by trust deed that government agency holds for loan funded through government program. Requires Department of Justice to use proceeds from settlement with Countrywide Financial Corporation to make grants to non-profit entities providing foreclosure relief services, unless sufficient funding otherwise available. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Fiscal impact of the measure
- Proposed amendment

EFFECT OF COMMITTEE AMENDMENT: Changes the period of time beneficiary must respond to the grantor from 30 days to no later than 45 days and removes requirement that a copy of affidavit is sent to the Department of Consumer and Business Services before conducting trustee's sale.

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 Home Affordable Modification Program (HAMP) to assist homeowners seeking to modify loans. The HAMP does not, however, include a formal process for mediation in foreclosure. Senate Bill 628B provides the structure for a statewide foreclosure modification program, further enabling mortgage lenders and homeowners to work toward reducing the numbers of foreclosures in Oregon.