

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	4 - 1 - 0
Yeas:	Bonamici, Boquist, Dingfelder, Prozanski
Nays:	Whitsett
Exc.:	0
Prepared By:	Lisa Nuss, Counsel
Meeting Dates:	4/15, 4/27

WHAT THE MEASURE DOES: Strengthens the rights of tenants living in property subject to foreclosure sale. Includes provisions to: (1) Require that tenants receive advance notice of foreclosure proceedings with specific information for tenants; (2) Allow tenants with fixed-term leases who provide copy of the lease to stay after the foreclosure sale for up to 60 days, or until the lease expires, whichever is earlier, except when the purchaser intends to live on the property in which case only 30 days' notice is required; (3) Provide tenants with weekly or monthly agreements 30 days' notice after the sale of the intention to evict; (4) Allow tenants receiving notice of foreclosure to apply any pre-paid security deposits towards ongoing rent obligations (and relieves purchaser of any obligations to return security deposits); and, (5) Clarify that purchasers do not become "landlords" unless they accept rent from the tenant, enter into a new rental agreement, or fail to terminate the tenancy as provided by this bill.

ISSUES DISCUSSED:

- Amount of time to allow tenants with leases to look for new home
- Weighing needs of tenants against effect on purchasers

EFFECT OF PROPOSED AMENDMENT: Replaces the bill.

BACKGROUND: Under current law (ORS 86.755), when a property is foreclosed, a tenant must be given 30 days' notice of the intent to remove that person. Current law allows that notice to be provided 30 days before the date first set for the sale, which can lead to a tenant moving out long before the foreclosure actually transpires. This bill changes the eviction notice timelines so they trigger from the actual date of the foreclosure sale.

Current foreclosure law essentially wipes out any rights the tenants had, and treats all tenants equally with no additional protection for tenants with leases. Current law also is silent on the subject of pre-paid security deposits, which can result in tenants being evicted from foreclosed properties, unable to recover their security deposits from insolvent landlords.