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Measure Description:

The measure provides a definition for “foreclosure avoidance measure” under statutes governing mortgages, trusts, and deeds. It requires beneficiary or beneficiary's agent under residential trust deed to send notice of mediation and enter into mediation with grantor for purpose of agreeing to foreclosure avoidance measure. The bill requires the Oregon Attorney General (AG) to establish by rule a schedule of mediation fees and professional requirements of mediation service providers. The AG must contract with mediation service providers to provide the mediation services between the grantors and the beneficiaries, payment to mediation service providers would be split between grantors and the beneficiaries with a \$200 limit placed on the grantor's portion. The contracts are exempted from state procurement statutes. The measure creates the “Foreclosure Avoidance Mediation Fund” (FAMF) that the payments to mediation service providers would flow through and would allow for administrative expenditures by the AG. Specified entities recording more than 250 actions to foreclose would be required to pay an additional \$100 fee for each subsequent filing, the proceeds of which would be deposited in to the FAMF. The measure creates an actionable cause for failure on the part of beneficiaries to complete certain filings and notifications related to determination of ineligibility or non-compliance of grantors to participate in any foreclosure avoidance measure. The bill makes changes to the statute provisions that are requirements allowing for foreclosure and adds the filing of mediation compliance certificate to that list. The measure requires a separate 60 day notice of mediation prior to the notice of sale and that a minimum 15 day notice of a new sale date be provided in the event that a trustee sale is postponed more than two calendar days or more than once without notice.

Government Unit(s) Affected:

Counties, Department of Justice, Judicial Department

Summary of Fiscal Impact:

Please see analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure has a minimal impact on counties and county clerks. The additional requirements of the bill can be absorbed by these entities using existing resources.

The Oregon Attorney General's office must fulfill a number of obligations under the bill including the contracting, rulemaking and creation of the mechanical processes required. Although the AG has estimated start-up costs of as much as \$31,760 and ongoing administrative costs of as much as \$20,465 biannually, these costs are allocated to existing staff resources and therefore the fiscal impact to the agency is minimal and anticipated to be offset by a portion of the fee revenue. The unknown and unforeseeable fiscal components of the measure are the amounts of fee revenue and expenditure pass-through from the foreclosure mediation activities and the fee revenue from filers with more than 250 actions.

The actionable cause included in the act results in a minimal impact to the Oregon Judicial Department for court operations for civil cases estimated to be \$5,940 each biennium. Some additional expenditures may be incurred due to Court of Appeals review of rules implemented by the Attorney General.