

**From:** Violeta Rubiani [REDACTED]  
**Sent:** Wednesday, March 27, 2013 10:29 AM  
**To:** Sen George L; Sen Baertschiger; Sen MonnesAnderson; Sen Prozanski; Newell Channa; Sen Shields  
**Subject:** Please support SB 558-11!

Dear Senators,

Many Oregonians are still struggling each month to try to find a way to avoid foreclosure on their home. In January 2013, over 5% of all Oregon Homeowners were 90 days or more past due on their mortgage. With the advent of SB 1552, homeowners who were struggling were given the opportunity to request mediation with their loan servicer as a way to get straight answers and see what options might be available to avoid losing their home. Sadly however, many of these homeowners are finding themselves in the judicial foreclosure process, and when they go to request mediation from their lender they are rebuffed because the bank doesn't have to participate. SB 558-11 remedies the judicial foreclosure loophole and addresses others that have been found since SB 1552 went into effect last summer.

Mediation is not only a benefit for struggling homeowners who want to get a straight answer about their options from their lender; it's also a benefit to the lender themselves. In an [article](#) published by The Oregonian on February 18, 2013, US Bank has already announced that it supports mediation. "We see the mediation process as being very effective," said Malia Wasson, U.S. Bank's president for Oregon and Southwest Washington. "We get quick answers and conclusions, which is of course what our borrower wants." Lenders are looking for a quick resolution to the foreclosure process as well as to cut their substantial foreclosure costs, making the pursuit of mediation a goal for both parties. SB 558 seeks to make the pursuit of mediation between lender and homeowner even easier, and it will have a positive impact on both parties.

SB 558-11 will strengthen Oregon's mediation program by forcing smaller out-of-state servicers to pursue mediation while still exempting many local credit unions and banks. It maximizes participation for those homeowners who want to have a face-to-face talk with their lender, and it allows for enforcement by the attorney general to protect the rights of homeowners to pursue mediation.

I ask you to please support SB 558-11, which will benefit not only Oregonian homeowners but also lenders, both of whom are trying to find ways to avoid the pain and financial loss of a foreclosed home.

Sincerely,

Violeta Rubiani



U.S. Bank is one of few mortgage servicers who have elected to participate in Oregon's foreclosure mediation program.

*U.S. Bank*

Though only a handful of mediation sessions have actually taken place, Minneapolis-based **U.S. Bank** has emerged as one of the few private banks participating both in mediation mandated as part of the foreclosure process and mediation requested by homeowners not yet in foreclosure.

Of six completed mediation sessions, two involved Minneapolis-based U.S. Bank, which at the end of 2011 reported a \$1.5 billion portfolio of residential mortgages in Oregon. Capital One Bank has also completed one mediation, a mediation program administrator said Monday. Most of the other mediation involve state agencies with home loan programs.

The bank doesn't carry out many foreclosures in Oregon -- it said it would be eligible for an exemption to the mediation law for banks that carried out fewer than 250 foreclosures in the prior calendar year. Less than 2 percent of its Oregon loan portfolio is delinquent on payments.

But it is one of the state's top residential lenders by loan origination and portfolio size.

"We see the mediation process as being very effective," said Malia Wasson, U.S. Bank's president for Oregon and Southwest Washington. "We get quick answers and conclusions, which is of course what our borrower wants."

In another break with many of its peers, U.S. Bank is moving ahead with foreclosures outside the court system despite legal uncertainty from a July decision from an Oregon appellate court.

"If we let uncertainty keep us from acting, we would not be doing the right thing for our clients and customers," Wasson said.

Ryan Murphy, who manages U.S. Bank's mediation programs across the country, said Oregon's program was similar enough to those in other West Coast states to be practicable for the bank, though bank officials deferred to the **Oregon Bankers Association** for **changes the mortgage industry would like to see.**

"From our perspective, it's working," he said.

—**Elliot Njus**

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