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Representative Paul Holvey
House Consumer Protection and Government Efficiency Committee
900 Court Street NE, Hearing Room D
Salem, OR 97301

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Dear Chair Holvey and Members of the Consumer Protection and Government Efficiency Committee,

I ask for your support on SB 558 and to help ensure fairness for Oregon homeowners facing foreclosure. SB 558 provides a range of measures that strengthen current statewide foreclosure provisions creating fairness for homeowners and savings of time and money for all parties involved.

Following the passage of SB 1552 in 2012, it quickly became clear that the law's intent was not adopted in practice. While the law acknowledged the value to both homeowners and lenders of required early mediation efforts, lenders instead have chosen solely to pursue judicial foreclosures which do not require mediation under SB 1552. SB 558 closes this loophole by requiring mediation in both judicial and non-judicial foreclosure processes. SB 558 also contains important provisions that lenders of all sizes be required to engage in mediation and the inclusion of a proper enforcement mechanism through the Attorney General's office.

Additionally, SB 558 would help make the foreclosure process more efficient, saving homeowners and lenders unnecessary costs in time and money. Under current law, once the foreclosure process is triggered by the lender, fees are incurred and passed on to the homeowner before the parties are able to meet and discuss possible alternatives. SB 558 allows for mediation prior to the commencement of the foreclosure process, preventing unnecessary fees, time lost and the possibility of damage to the homeowner's credit.

Likewise, currently, further costs are accrued prior to mediation when multiple notices are served by lenders and mediation service providers. This burdensome process not only inflates costs that are passed on to the homeowner but also consumes valuable time. SB 558 streamlines the process by simplifying the notice requirements and utilizing the time saved, allowing both parties to initiate the document exchange component of mediation far sooner.

Despite recent attempts to establish a fair process, it is clear that Oregon families need a stronger guarantee that their voices will be heard. SB 558 provides that guarantee.

Respectfully,

Traci Manning
Director, Portland Housing Bureau

