



**Testimony in Support of HB 2929**  
**Before the House Consumer Protection and Government Efficiency Committee**

March 14, 2013

Dear Chair Holvey and Members of the Committee:

Thank you for the opportunity to testify in support of HB 2929. My name is Tori Klein, and I am an attorney from Eugene, Oregon. I have worked for a non-profit law firm helping consumers with financial issues and people with landlord/tenant issues. Currently, I serve as Associate General Counsel for Gorilla Capital, Inc.

Gorilla Capital is based in Eugene, Oregon and is one of the nation's leading purchasers of distressed real estate. By buying, redeveloping, and selling distressed homes, Gorilla Capital is actively engaged in the revitalization of neighborhoods, and increasing neighborhood property values (and thus, revenue to your district's counties). Additionally, we track a significant amount of data in the foreclosure world.

HB 2929 supports rights of businesses, purchasers, and consumers by providing necessary checks and limitations by fine-tuning small parts of the Oregon Trust Deed Act (OTDA). Although non-judicial foreclosures are currently low, this important route will be used more in the future and these subtle changes will help prevent delays that hinder recovery of our housing market.

Express & Limited Rescission Rights: A clear statutory guideline as to when and how a trustee can void or rescind a sale will support the housing market in Oregon. HB 2929 expressly aligns a lender's or beneficiaries' right to rescind a sale with current statutory timeframes in the OTDA: 10 days.

ORS Chapter 86 allows purchasers of foreclosed homes to take legal possession of a home 10 days after the trustee sale. Moreover, the trustee is statutorily mandated to deliver the trustee's deed within 10 days of the sale. Despite these two 10 day guidelines, we have dealt with out of state trustees who have unilaterally rescinded a sale *months* afterward, while keeping our purchase money. An express 10 day limitation as to rights of rescission will prevent this type of issue from occurring, and does so in alignment with current laws.

All Trustees Should Be Registered To Do Business In Oregon: Although Banks are registered with other branches of our state, some of their subsidiaries that act as Trustees or their agents may not have a registered agent in Oregon. This makes it very difficult to find a contact person if there is a serious legal issue with some aspect of a sale, thus preventing speedy resolution of issues.

Relation Back Clause: The relation back statute provides clarity to property title by reflecting ownership of the property as of the day it was purchased; it does not prevent a truly wronged homeowner from filing suit against the lender or trustee for damages if the foreclosure was without merit. Moreover, it would align the Sheriff's Sale statute, which provides for a relation back period, and the OTDA.

Thank you for your time and consideration of HB 2929. I would be happy to answer any of your questions.