



**Oregon
Law Center**

WORKING TOGETHER TO ACHIEVE JUSTICE FOR LOW INCOME OREGONIANS

From the Desk of
Representative Chris Garrett

Assistance for Distressed Homeowners in Judicial and Non-Judicial Foreclosure

YES on SB 558A

The Oregon Law Center respectfully urges your support of SB 558A, to ensure that struggling homeowners have the opportunity to meet with a housing counselor and attend a resolution conference prior to a foreclosure, regardless of whether the lender chooses the judicial or non-judicial process.

- The bill comes to you from the Senate with a 22-7 vote, and from the House Consumer Protection Committee with a 7-1-1 vote.
- The availability of a robust resolution process, with access to housing counselors and facilitated by experienced mediators, allows borrowers and lenders the chance to exchange accurate information, explore foreclosure avoidance or mitigation options, and negotiate mutually acceptable agreements.
- In many cases, access to counseling and a resolution conference will avoid the necessity of filing a foreclosure action altogether:
 - Saves borrowers and lenders untold costs and expenses.
 - Reduces the impact on our courts and sheriffs.
- SB 558A includes technical improvements to our current mediation program designed to make the program work well for both sides. These amendments were drafted after consideration of input from lenders, agencies, borrowers, mediators, housing counselors, and others.
- SB 558A is designed for success in judicial and non-judicial proceedings:
 - Maximizes borrower participation by removing hurdles to access;
 - Facilitates informed negotiations by adequate and timely exchange of relevant paperwork;
 - Facilitates access to housing counselors to help prepare for mediation;
 - Covers the largest servicers while exempting Oregon's small local banks;
 - Reduces burdens on the courts by facilitating resolution of cases before filing.
- SB 558A ensures bank compliance by providing enforcement. The bill does not create a private right of action, but allows the Attorney General enforcement in the event of egregious violations.
- Passage of this bill will provide significant procedural fairness protections for vulnerable homeowners, thereby preserving safety and stability for families and entire communities.
- An enforceable foreclosure resolution process applicable to judicial and non-judicial proceedings is the best way to speed up foreclosure timelines, avoid potential backlog in the courts, and create positive outcomes for both homeowners and investors.

SB 558A will ensure that more Oregonians facing foreclosure have access to solid information that will enable them to better assess their options and make good decisions for their families.

We urge your Aye vote.