

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 4 - 0
Yeas:	Doherty, Keny-Guyer, Lively, Vega Pederson, Holvey
Nays:	Johnson, Richardson, Smith, Thatcher
Exc.:	0
Prepared By:	Bob Estabrook, Administrator
Meeting Dates:	3/14, 3/26, 4/4, 4/9

WHAT THE MEASURE DOES: Establishes specific circumstances in which trustee may rescind sale. Requires specific notice of rescinded sale and refund to purchaser within specific timelines. Requires financial institution, trust company and title insurance company trustees to maintain registered agent and registered office continuously in state and file statement with Secretary of State identifying agent and address of office. Allows title company trustee to meet registered agent and registered office requirements through registration with Director of Department of Consumer and Business Services.

ISSUES DISCUSSED:

- Difference between trustee's sale and other residential property transactions
- Absence of specific sale rescission rights in statute, such as those provided in Washington statute
- Clarity and consistency of 10-day timelines
- Potential abuse of rescission provision
- Enforcement of new provisions

EFFECT OF COMMITTEE AMENDMENT: Removes requirement that trustee pay penalty for failing to provide notice of new sale date. Removes requirement that trustee pay penalty if trustee fails to execute deed to purchaser. Deletes provision that purchaser recording of deed perfects purchaser interest as of specific time. Changes specific circumstances in which trustee may rescind sale. Requires specific notice of rescinded sale and refund to purchaser within specific timelines. Allows title company trustee to meet registered agent and registered office requirements through registration with Director of Department of Consumer and Business Services.

BACKGROUND: ORS 86.755 governs trustee sales of foreclosed property but does not specify requirements for rescission of a trustee sale. In practice, trustees have assumed a right to rescind a sale at their discretion. Existing statute does not require the trustee to maintain an office in Oregon, although the state of Washington requires trustees to be registered to do business in that state.

House Bill 2929 A specifies conditions under which a trustee may void a sale, establishes timelines for issuing notice of a rescinded sale and refunding money to a purchaser, and requires certain trustees to continuously maintain an agent and office in Oregon.