

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

---

**Action:** Do Pass  
**Vote:** 4 - 0 - 1  
**Yeas:** Baertschiger, Monnes Anderson, Prozanski, Shields  
**Nays:** 0  
**Exc.:** George  
**Prepared By:** Channa Newell, Administrator  
**Meeting Dates:** 4/24, 5/8

---

**WHAT THE MEASURE DOES:** Removes \$100,000 cap on loan amount to borrower in definition of “real estate loan agreement” or “real estate loan” for purposes of earning interest on required mortgage escrow accounts and lender required security protection deposits.

**ISSUES DISCUSSED:**

- Personal experience with low cap
- Potential penalties associated with violating measure
- Provision of measure

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Oregon law requires interest be paid on lender-required security protection provisions, such as moneys held in escrow accounts to cover expenses such as taxes and insurance on real property secured by a mortgage. The current requirement only applies to property that is worth \$100,000 or less. This cap was established by the Legislative Assembly in 1975.

House Bill 2528 removes the \$100,000 cap on the value of property subject to real estate loans agreements that may receive interest on moneys held in lender required security provisions, allowing interest payments on such moneys regardless of the value of the property.