

**PRELIMINARY STAFF MEASURE SUMMARY**

CARRIER:

Senate Committee on Veterans and Emergency Preparedness

**REVENUE:** No revenue impact

**FISCAL:** May have fiscal impact, statement not yet issued

**SUBSEQUENT REFERRAL TO:** None

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**Action:**

**Vote:**

**Yeas:**

**Nays:**

**Exc.:**

**Prepared By:** Cheyenne Ross, Administrator

**Meeting Dates:** 3/24, 3/31

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**WHAT THE MEASURE DOES:** Exempts Oregon Department of Veterans’ Affairs (ODVA) from foreclosure mediation process required of traditional lenders, on home loans ODVA administers. Exempts ODVA from foreclosure notice requirements on home loans it administers.

**ISSUES DISCUSSED:**

- Seventy-year history of Oregon Department of Veterans’ Affairs home loan program
- ODVA’s ownership and servicing of all its loans
- ODVA’s low foreclosure rates compared to overall housing market
- Creation of Oregon’s foreclosure avoidance program in 2013, requiring mediation
- ODVA standard to keep veterans in their homes exceeds standard of foreclosure avoidance program

**EFFECT OF COMMITTEE AMENDMENT:**

*[-1 amendment]* Deletes exemption from notice requirements (ORS 86.248 is applicable to ODVA home loans).

**BACKGROUND:** In Oregon, lenders are required to participate in mediation with borrowers to avoid foreclosure. The Oregon Department of Veterans’ Affairs (ODVA) is considered a lender, because it administers a home loan program for eligible veterans; however, the ODVA home loan program already requires the agency to make every effort to keep veterans in their homes.

Senate Bill 252 exempts ODVA from foreclosure mediation requirements applicable to traditional lenders, in reliance on the agency’s existing mandate to avoid foreclosure.