

Ms. Beth Reiley  
Administrator  
Senate Committee on Environment and Natural Resources  
Oregon State Legislature  
900 Court St  
Salem, Oregon

April 13, 2015

Re: SB 246 Establishing an On-site Septic System Loan Fund.

Dear Chair Senator Edwards and Committee Members,

Thank you for the opportunity to provide testimony concerning the dash 2 amendment to Senate Bill 246, establishing an on-site septic system loan fund, with a low-income priority.

The Deschutes County Citizen's Action Group, or CAG, is opposed to lines eight through ten of the dash two amendment:

1. Few mortgage lenders are likely to subordinate their lien position and many are unlikely to have that freedom depending on the structure of the mortgage.
2. This amendment negates the stated purpose of the bill, namely: *The Legislative Assembly declares it to be the policy of the State of Oregon to assist the people of this state in protecting public health and safety and the quality of the waters of this state by making loans available for the repair, replacement or upgrade of residential on-site septic systems.* There is always a risk of default on loans of this nature, but there is a greater risk to public health and safety if a failed septic system cannot be repaired, upgraded or replaced by a sewer because a mortgage lender will not or cannot subordinate their position.

In addition, it would seem prudent to establish some kind of benchmark measure for “low and moderate income” as it relates to the entities defined in lines 11 through 15 of page 1 of the bill, rather than simply inserting “small business” on line 24. As written, that portion of the bill is too vague.

Respectfully submitted,



John Huddle, EdD  
President

