

SB 79 STAFF MEASURE SUMMARY

House Committee On Veterans and Emergency Preparedness

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Meeting Dates: 4/27, 5/4

WHAT THE MEASURE DOES:

Makes explicit that the Oregon Department of Veterans' Affairs (ODVA) may file an affidavit describing its exempt status in foreclosure processes, in lieu of documentation showing compliance with foreclosure mediation requirements. Becomes operative 91 days after its effective date. Declares emergency, effective on passage.

FISCAL: No fiscal impact

REVENUE: No revenue impact

Senate Vote: Ayes 29; Excused 1

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2013, the Legislative Assembly enacted Senate Bill 558 to govern the operation of the Oregon Foreclosure Avoidance Program. This legislation has been effective since August 4, 2013. The program uses a neutral and trained third party (a mediator or facilitator) to conduct a face-to-face meeting (dispute resolution conference) between a homeowner (grantor) and their lender (beneficiary). The Oregon Department of Veterans' Affairs (ODVA) is considered a lender because it administers a home loan program for eligible veterans that is an additional and a distinctively separate benefit from the Federal VA Home Loan Guaranty Program. ODVA has administered its program since 1946, and it owns and services all of its loans. Currently, ODVA is required by statute "to make every reasonable attempt to keep a veteran in the home purchased." This is a higher standard than that required by mediation, and ODVA has a lower foreclosure rate than the overall housing market. For those reasons, the Legislative Assembly passed Senate Bill 252 in 2015 to exempt ODVA from the foreclosure mediation requirement applicable to traditional lenders.

Senate Bill 79 permits ODVA to file an affidavit describing its exempt status in foreclosure processes in lieu of documents showing compliance with mediation.