

SB 79 STAFF MEASURE SUMMARY

Carrier: Rep. Post

House Committee On Veterans and Emergency Preparedness

Action Date: 05/04/17

Action: Do Pass.

Vote: 7-0-1-0

Yeas: 7 - Boone, Esquivel, Evans, Lewis, Lively, Meek, Parrish

Exc: 1 - Post

Fiscal: No fiscal impact

Revenue: No revenue impact

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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.

ISSUES DISCUSSED:

- Foreclosure avoidance requirements already imposed on ODVA
- Technical fix to Senate Bill 252 (2015) exempting ODVA from foreclosure mediation

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In Oregon, lenders are required to engage in mediation with borrowers prior to foreclosing on a home loan. The Oregon Department of Veterans' Affairs (ODVA) is considered a lender because it administers a home loan program for eligible veterans that is distinct from the federal Veterans Affairs Home Loan Guaranty program. ODVA has administered its program since 1946, and it owns and services all of its loans. ODVA is currently required "to make every reasonable effort to keep veterans in their homes." This is a higher standard than requiring 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.