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My name is John Helmick; I am the CEO of Gorilla Capital. I am testifying in support of S.B. 11. Gorilla Capital has been purchasing distressed homes in Oregon for the last 13 years. We have an A+ rating from the BBB and have been ranked as one of the Best Places to Work in Oregon for each of the last 5 years. While there are many honest actors in our industry, there are handful of people that prey on the lack of knowledge of homeowners in foreclosure.

In April 2019, Gorilla purchased a home at Sheriff sales in Bend Oregon. The auction was attended by several bidders and we won the auction with a final bid of \$141,000. Our plan is to remodel the home for approximately \$35,000, bringing the home up to neighborhood standards, and then list the home for sale to the public.

The judgment amount owed to the foreclosing bank was \$63,003.25. Therefore, there are excess proceeds of \$77,996.75. The homeowner is deceased, so the excess proceeds should go to his estate. However, a redemption rights buyer, less than a week before the foreclosure sale, purchased all of the rights to the excess proceeds with the disabled 18 year old son of the deceased homeowner. The Portland based redemption rights company paid the 18 year old, \$1,700 to purchase the rights to the excess proceeds.

I do not believe that the notice provisions of SB 11 go far enough. And I urge the legislators to use the current Oregon Consumer Protection laws to - by a simple amendment - apply the same protections to homeowners in judicial foreclosure as are currently provided to homeowners in non-judicial foreclosure

This can be accomplished with two simple amendments to ORS 646A.703:

First, clarify in ORS 646A.702(3) that a "Foreclosure consultant" includes anyone that:

*ORS 646A.702(3)... Assist the owner in exercising a right of redemption, **or selling a right of redemption.***

Second, amend ORS 646A.702(6) to define a "Residence in foreclosure" to include not only homes in non-judicial foreclosure, but also homes in judicial foreclosure:

*ORS 646A.702(6)... "Residence in foreclosure" means residential real property: (a) Consisting of one to four single family dwelling units; (b) On which the owner occupies a dwelling unit; and (c) Against which a notice of default has been recorded **or a foreclosure action by suit pursuant to 88.010 has been filed.***

These two amendments to ORS 646A would provide homeowners in judicial foreclosure with the same Oregon consumer law protections as homeowners in non-judicial foreclosure.

Respectfully submitted,
John Helmick
May 15, 2019