



STATE SENATE
DISTRICT 25

2019 SB 11 Redemption Rights You heard a similar bill in February, HB 2447. This is the second try at getting this passed. I thank Willamette Week for writing an article and giving it the notice it deserves.

SB 11 deals with redemption rights. A constituent of mine came to me, Herb Mohn and said something is fishy about how redemption rights are working in this state. He was buying a foreclosed home at the police auction but I'll let him tell his story.

Redemption rights come into play especially when a home is foreclosed. Most homeowners lack knowledge of redemptions rights and how that effects the person who is selling a foreclosed home or the person who is buying a foreclosed home. SB 11 will remedy that problem.

The right of redemption gives property owners the opportunity to pay off the back taxes or liens on their property, sometimes even after the auction or sale has occurred. Generally speaking, these are the rights a person has to redeem a property up to 6 months after it's been sold at the Sheriff's Sale Auction for foreclosure. The rights also allow the person to collect surplus funds, which are the funds that exist if the property sold at the Sheriff's auction for more than what was owed on it.

Many homeowners are getting approached to sell their redemption rights before the Sheriff's Auction. Many are confused about what they are actually giving up, because this area is complicated and because some actors are less than forthcoming. In some cases, folks are selling their rights for \$1,000, but there are over \$30,000 in surplus funds that they are giving up. Sophisticated buyers rarely mention that sellers have the right to surplus funds and make representations that they are merely buying these rights, so they can "flip" the home faster, without having to wait 6 months in case someone redeems the property. Folks are simply not getting the whole story.

To help combat this confusion, SB 11 takes a simple approach of giving more notice and warning to homeowners to be careful about these rights. The notice will be included in the foreclosure filing, on the Sheriff's website, and at the time of signing their rights away. Hopefully, these notices will give people a moment to consider that these rights may have more benefit to them than they realized, and either keep a hold of their rights, or be able to bargain for a better price.

The Oregon State Sheriff's Association, Department of Justice, Oregon State Bar, and the Oregon Banker's Association all weighed in on this bill.