

HB 2587 A STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 6/18

WHAT THE MEASURE DOES:

Makes exception for certain homesteads of seniors and people with disabilities to prohibition on reverse mortgages for participation in the homestead property deferral program. Allows in those with reverse mortgages executed 2011-2017. Sets 40% equity criteria. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In Oregon, the homestead property tax deferral program, administered by the Department of Revenue pays property taxes for qualified individuals with disabilities or senior citizens who own and occupy their principal residence individuals. Repayment is deferred until the property is sold, or it can be recuperated from the corresponding estate. Currently, reverse mortgages (loans that allow property owners to borrow against the equity in their homes) on properties participating in the program are prohibited except for those executed before 2011.

House Bill 2587-A allows some additional properties participating in the homestead property tax deferral program to be subject to a reverse mortgage if they satisfy an equity component.