

HB 4213 STAFF MEASURE SUMMARY

Joint Committee On The First Special Session of 2020

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Meeting Dates: 6/24, 6/25

WHAT THE MEASURE DOES:

Makes legislative findings and declarations regarding potential impact to state contracts. Defines “emergency period,” “nonpayment,” and “nonpayment balance” for residential and commercial evictions. Prohibits and restricts landlords from taking specified actions based on a tenant’s nonpayment balance during the emergency period. Specifies a landlord shall apply payments received from a tenant to the tenant’s nonpayment balance. Authorizes landlord to send written notice to tenant reflecting status of rent due. Establishes that tenants have a 90-day grace period during which they must pay their outstanding nonpayment balance. Requires tenants with nonpayment balances to notify their landlord if they intend to use the grace period to pay balances due. Allows landlord to recover damages equal to 50 percent of one month’s rent following the grace period if tenant fails to give notice of intent to repay nonpayment balance during 90-day grace period. Establishes that if a tenant does not provide notice to their landlord that they intend to pay the nonpayment balance by no later than the end of the 90-day grace period, that the landlord may deliver notice of rental agreement termination, and initiate or continue eviction actions. Authorizes tenant injunctive relief for landlord violation of moratorium restrictions. Repeals eviction restrictions 270 days after declaration of state of emergency is issued by the Governor.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to Oregon Housing and Community Services (OHCS), prior to the COVID-19 pandemic, 27 percent of Oregon renter households were severely housing cost burdened, meaning that they spent more than half their income on rent. As a result of the pandemic, tenants impacted financially due to unemployment and lost wages have either missed rent payments or leveraged economic impact payments, savings, and unemployment benefits to meet rent demands. OHCS surveyed affordable housing providers across the state in May 2020 and estimates that 11.6 percent of rent payments were not made in that month.

The federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) allows eligible homeowners who suffer a financial hardship due to COVID-19 to enter forbearance and temporarily suspend or reduce their mortgage payments. It is estimated that four million homeowners have already applied for mortgage forbearance.

According to the National Conference of State Legislatures, in response to economic hardships created by the COVID-19 nearly a dozen states have introduced consumer protection legislation to provide temporary relief from evictions and foreclosures of residential and commercial properties during the pandemic; several other states have provided similar protection through executive or judicial orders.

House Bill 4213 temporarily restricts landlords and lenders from actions against tenants and borrowers due to late or nonpayment of rent or mortgage during the Governor’s declared emergency period.