

Testimony for HB 4204-1 Foreclosure Limitations

Thank you Chairs Courtney and Kotek and members of the Committee

My name is Chris Nelson and I reside in Multnomah County.

I am the owner of a small commercial real estate development and investment company called Capstone Partners based in Portland.

I am also a member of the Executive Committee of United for Relief (www.unitedforrelief.org), a non-profit community of small business and property owners working together to address COVID-19 impacts on real estate.

United for Relief has over 200 supporters include small business owners, tenants, commercial and residential property owners.

In addition to individual supporters we have the organization support of Business for a Better Portland, The Main Street Alliance of Oregon Central Eastside Industrial Council, Oregon Smart Growth and NAIOP.

We support the Foreclosure Protections in HB 4204-1.

In my firm's commercial properties just under 50% of our retail tenants that have been ordered closed have paid rent in the last 3 months. We are in active discussions with each of these vulnerable businesses who's survival over the 6 – 12 months is very dependent on the rent relief we will be able to provide them so they can plan for the future, have confidence to invest in their business and re-hire their employees.

We are all reading daily about retail businesses failing in Oregon, especially in the restaurant and personal care sectors. This unwinding is just beginning. The non-payment or underpayment of rent in April, May and June will continue and possibly accelerate once unemployment benefits and other programs supporting employers like Paycheck Protection Program run out.

A Temporary Foreclosure Moratorium is not a solution to these larger challenges, but it a helpful first step to avoid further economic disintegration. Like the eviction moratoriums, a Foreclosure Moratorium is a necessary stop-gap measure to slow the spread of this crisis into the commercial real estate market, to buy time to develop and implement a more comprehensive solution.

Many banks and lenders will say there isn't a problem and this is not necessary. **We disagree.** There are many lenders that are working with their borrowers, just like there are many landlord's working with their tenants. However, just like there are bad actor landlords, there are bad actor lenders including predatory lenders. Wall Street distressed debt and real estate funds have already raised billions to take advantage of the coming distress to buy properties from lenders and distressed property owners.

We urge immediate action on this request for a Foreclosure Moratorium. **importantly, this requires NO governmental subsidy.**

THANK YOU

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