

# DRAFT

## SUMMARY

Digest: The Act makes changes to laws about home loans and lender collateral. (Flesch Readability Score: 67.7).

Provides that a court may not stay or prohibit a Federal Home Loan Bank from exercising rights to collateral pledged by an insurer-member that is subject to a delinquency proceeding. Requires a receiver to comply with provisions of this Act with respect to claims against the insurer-member.

Requires a Federal Home Loan Bank that exercises a right to collateral to repurchase any outstanding capital stock that exceeds the amount of Federal Home Loan Bank stock that the insurer-member must hold as a minimum investment, subject to certain determinations.

Prohibits a receiver from voiding the transfer of, or obligation to transfer, moneys or property under the terms of a Federal Home Loan Bank security agreement.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to Federal Home Loan Banks; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2025 Act is added to and made a part**  
5 **of ORS 734.110 to 734.440.**

6 **SECTION 2. (1) As used in this section:**

7 **(a) “Collateral” means collateral that meets the requirements for**  
8 **the categories of collateral that are set forth in 12 C.F.R. 1266.7(a), as**  
9 **in effect on the effective date of this 2025 Act, and in which a Federal**  
10 **Home Loan Bank holds a first priority perfected security interest.**

11 **(b) “Federal Home Loan Bank” has the meaning given that term in**  
12 **12 U.S.C. 1422, as in effect on the effective date of this 2025 Act.**

13 **(c) “Insurer-member” means an insurer that is a member of a**

1 **Federal Home Loan Bank.**

2 **(2) Notwithstanding requirements for a form of claim against an**  
3 **insurer that are set forth in ORS 734.280 and notwithstanding the pri-**  
4 **ority of preferred claims against an insurer that are specified in ORS**  
5 **734.290, of special deposit claims against an insurer that are specified**  
6 **in ORS 734.300 or of secured claims against an insurer that are speci-**  
7 **fied in ORS 734.310, in connection with a delinquency proceeding under**  
8 **ORS 734.110 to 734.440:**

9 **(a) A court may not stay or prohibit a Federal Home Loan Bank**  
10 **from exercising the Federal Home Loan Bank's rights with respect to**  
11 **collateral that an insurer-member has pledged; and**

12 **(b) A receiver shall comply with the provisions of this section with**  
13 **respect to:**

14 **(A) The Federal Home Loan Bank's rights in connection with an**  
15 **insurer-member; and**

16 **(B) Claims against an insurer-member.**

17 **(3) A Federal Home Loan Bank that exercises a right with respect**  
18 **to collateral pledged by an insurer-member that is subject to a delin-**  
19 **quency proceeding shall repurchase any outstanding capital stock that**  
20 **exceeds the amount of the Federal Home Loan Bank's stock that the**  
21 **insurer-member must hold as a minimum investment if the Federal**  
22 **Home Loan Bank determines in good faith that the repurchase is:**

23 **(a) Permissible under applicable laws, regulations, regulatory obli-**  
24 **gations and the Federal Home Loan Bank's capital plan; and**

25 **(b) Consistent with the current capital stock practices the Federal**  
26 **Home Loan Bank applies to the entire membership of the Federal**  
27 **Home Loan Bank.**

28 **(4) After the appointment of a receiver for an insurer-member, a**  
29 **Federal Home Loan Bank, within 10 business days after a request from**  
30 **the receiver, shall establish a process and timeline for:**

31 **(a) Releasing collateral that, under the terms of applicable agree-**

1 **ments between the Federal Home Loan Bank and the insurer-member,**  
2 **exceeds the amount required to support obligations that remain after**  
3 **repaying loans;**

4 **(b) Releasing any of the insurer-member's collateral that remains**  
5 **in the Federal Home Loan Bank's possession after payment in full of**  
6 **all of the insurer-member's outstanding obligations;**

7 **(c) Paying fees the insurer-member owes and operating the**  
8 **insurer-member's deposits and accounts with the Federal Home Loan**  
9 **Bank; and**

10 **(d) Redeeming or repurchasing Federal Home Loan Bank stock or**  
11 **excess stock of any class that an insurer-member must own.**

12 **(5) A Federal Home Loan Bank, at a receiver's request, shall pro-**  
13 **vide any available opportunities that may exist for an insurer-member**  
14 **that is subject to a delinquency proceeding to renew or restructure a**  
15 **loan to defer prepayment fees, with due regard for:**

16 **(a) Market conditions;**

17 **(b) The terms of any loans to the insurer-member that are out-**  
18 **standing;**

19 **(c) Applicable policies of the Federal Home Loan Bank; and**

20 **(d) The Federal Home Loan Bank's compliance with federal laws**  
21 **and regulations.**

22 **(6)(a) Notwithstanding ORS 734.350 and except as provided in para-**  
23 **graph (b) of this subsection, a receiver for an insurer-member, in-**  
24 **cluding the Director of the Department of Consumer and Business**  
25 **Services, may not void any transfer of, or obligation to transfer,**  
26 **moneys or property that occurs or arises under or in connection with:**

27 **(A) A Federal Home Loan Bank security agreement;**

28 **(B) A pledge, security, collateral or guarantee agreement; or**

29 **(C) Any other similar arrangement or credit enhancement that re-**  
30 **lates to a Federal Home Loan Bank security agreement made in the**  
31 **ordinary course of business and in compliance with the applicable**

1 **Federal Home Loan Bank agreement.**

2 **(b) A receiver may void a transfer if the transfer was made with**  
3 **an intent to hinder, delay or defraud the insurer-member, the receiver**  
4 **or existing or future creditors.**

5 **(c) This subsection does not affect a receiver's rights under 12**  
6 **C.F.R. 1266.4, as in effect on the effective date of this 2025 Act, with**  
7 **respect to advances to an insurer-member that is subject to a delin-**  
8 **quency proceeding.**

9 **SECTION 3. Section 2 of this 2025 Act applies to delinquency pro-**  
10 **ceedings that begin on or after the effective date of this 2025 Act.**

11 **SECTION 4. This 2025 Act being necessary for the immediate pres-**  
12 **ervation of the public peace, health and safety, an emergency is de-**  
13 **clared to exist, and this 2025 Act takes effect on its passage.**

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