

REVENUE: No revenue impact**FISCAL: No fiscal impact**

Action: Do Pass
Vote: 4 - 0 - 1
Yeas: Dingfelder, George, Rosenbaum, Shields
Nays: 0
Exc.: Boquist
Prepared By: Jan Nordlund, Administrator
Meeting Dates: 2/8

WHAT THE MEASURE DOES: Authorizes affordable housing covenants that are contained in recorded master form instrument to be incorporated by reference in short form instrument recorded for a real property transaction.

ISSUES DISCUSSED:

- Attempt to protect public investment in affordable housing
- Reduce errors and omissions in recording by using short form
- Lack of impact on recording fees
- Current use of master forms for recording trust deeds

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Government agencies and nonprofits use public funds to help Oregonians purchase affordable homes. The home is kept in the affordable housing stock through covenants that attach to the property and that are recorded with the county. Recording errors occur due to the complexity of the affordability agreements, and in some cases the covenants are never recorded when the property is transferred. Senate Bill 1535 is intended to reduce errors and ensure recording of the affordable housing covenants by allowing the recording of a master form instrument that can later be incorporated by reference during future transactions and property transfers.

Current law allows master/short form instruments to be recorded, but only for trust deeds, not affordable housing covenants.