

HB 2477 STAFF MEASURE SUMMARY

House Committee On Judiciary

Prepared By: Channa Newell, Counsel

Meeting Dates: 2/12

WHAT THE MEASURE DOES:

Specifies that a person who purchases real property at execution sale with the intent to become a successor in interest to the right to redeem the property through foreclosure process must include notice in deed transferring property. Specifies content of notice. Specifies content of notice on sheriff's website to debtor and prospective bidders prior to execution of sale.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

When real property enters a judicial foreclosure and undergoes a sheriff's sale of the property, the homeowner of the property has 180 days after the sale of the property in which to pay the outstanding amount owed. If paid, the person can regain the home. The right to regain the property is called the right of redemption. It is found in ORS 18.960 - 18.985. The right to redeem the property can be held by a successor in interest to the property. It is a right that can be sold. As a result, a person beginning the foreclosure process may sell the right to redeem a property to a third party. When the property is sold in the sheriff's sale, it may be for a price that is higher than the amount owed. The redemption rights do not transfer to the person who won the bid on the property, resulting in a situation in which a third party can retake the property up to 180 days after the sale.

House Bill 2477 requires notice be given by a person attempting to purchase redemption rights in foreclosure. It also requires notice to buyers and bidders be included on the sheriff's foreclosure website.