

HB 2587 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

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Meeting Dates: 2/25, 3/4, 3/11

WHAT THE MEASURE DOES:

Excepts certain homesteads participating in the homestead property deferral program for seniors and persons with disabilities, from prohibition against reverse mortgages. Effective 91st day after *sine die*.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In Oregon, the homestead property tax deferral program, administered by the Department of Revenue, allows qualified disabled persons or senior citizens who own and occupy their principal residence (with some exceptions) to borrow money from the State (at 6 percent interest) to pay their local property taxes. Repayment of the loan from the State is deferred until the property is sold, or it can be recuperated from the corresponding estate.

Currently, reverse mortgages (loans that allow property owners to borrow against the equity in their homes) on properties participating in the program, are prohibited.

House Bill 2587 allows some properties participating in the homestead property tax deferral program to be subject to a reverse mortgage.