

HB 3212 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Action Date: 04/12/21

Action: Without recommendation as to passage and be referred to Rules.

Vote: 11-0-0-0

Yeas: 11 - Bonham, Boshart Davis, Breese-Iverson, Bynum, Clem, Evans, Fahey, Grayber, Holvey, Post, Witt

Fiscal: No fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 4/12

WHAT THE MEASURE DOES:

Lowers the threshold number of foreclosures commenced in prior year from 175 to 24 for lender to claim exemption from participating in the Oregon Foreclosure Avoidance Program. For calendar year 2021, exemption is granted if lender commenced no more than 24 foreclosure actions in either 2019 or 2020.

ISSUES DISCUSSED:

- Referral to House Committee on Rules

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Foreclosure Avoidance (OFA) Program requires a lender to meet face-to-face with a participating borrower to determine if foreclosure can be avoided. Under current law, a lender is exempt from participating in the Oregon Foreclosure Avoidance Program if they certify they commenced fewer than 175 foreclosures in the previous calendar year. Given that Oregon's foreclosure moratorium was in effect for much of last year and a federal moratorium is in place until June 30, 2021, effecting roughly 70 percent of mortgages, there were relatively few foreclosures commenced in 2020 and likely will be relatively few commenced this year. The result is that many lenders will be granted an exemption from participating in the program this year and next.

House Bill 3212 permanently lowers the threshold number of foreclosures commenced in the prior year to 24 for a lender to claim an exemption from participating in the Oregon Foreclosure Avoidance Program. For 2021, a lender will not be granted an exemption if they commenced more than 24 actions in either 2019 or 2020.