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Chair Pham, Vice Chair Anderson, and members of the committee:

OTLA is a statewide membership association of attorneys who represent people who have been harmed by government, insurance companies, corporations and other powerful special interests. Our members fight for underdogs – injured workers, consumers who have experienced fraud or injuries, people whose insurers unlawfully deny their claims, employees discriminated against by their employer, sexual assault survivors, kids abused in foster care, tenants facing eviction. by defending their access to the civil justice system and their right to a trial by jury.

We are here today to testify in opposition to HB 3746 A. We understand and support the ultimate goal of this bill in unlocking pathways for middle income Oregonians to achieve homeownership. While we support the intent, we have to ensure we can achieve that goal without also creating insurmountable problems for the very Oregonians the bill is intended to help.

We appreciate being included in the robust work group discussions and the progress on several issues, including increased inspection requirements and right to remedy language. However, we do not think the current version of the bill goes far enough to address our concerns – Chiefly, what happens to consumers who find out in year 8, 9 or 10 that their condo is defective due to the negligence of the builder?

The state's current ten-year statute of ultimate repose is for latent defects—those that are not readily identifiable by a consumer on a final walkthrough—and defects that often are not discovered or identified until after the seven-year (plus one) limitation in this bill. For example, mold, caused by water intrusion defects— improper piping, molding, insulation, negligent design, is something that's not usually detected until seven or sometimes as late as nine years after construction.

Developers constructing homes for low to middle income Oregonians need to keep costs down to make the homes affordable. We are worried that lessening the 10 year Statute of Ultimate Repose will entice developers to adopt risky, cost-cutting measures knowing they will face no consequences for their negligence as long as the defects are discovered after year 7. Imagine being a new homeowner who has scrimped and saved to afford a down payment on a place that finally gives you a foothold in homeownership, only to discover you may be faced with tens of thousands – to hundreds of thousands of dollars' worth of repairs for defects that predated your ownership?

This bill could leave Oregonians with homes that are too toxic or too damaged to live in or sell—and no recourse against those whose negligence caused the problem to begin with. We know most Oregonians are living paycheck to paycheck and would struggle to afford an unexpected



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\$400 expense. What will happen to these homeowners when they need to come up with tens of thousands of dollars for home repairs caused by the negligence of the developer?

We support the intent of this bill but we must ensure that goal is achieved without leaving Oregonians holding the bag. We don't want to be here in 8 – 10 years hearing the stories of Oregonians who went bankrupt or were forced out of their homes because they couldn't afford to fix the damage to their defective condo.

We hope the committee will consider voting no on HB 3746 or making changes to address the need for stronger consumer protections.