

TITLE 9

MORTGAGES AND LIENS

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Chapter 86

2015 EDITION

Mortgages; Trust Deeds

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REAL PROPERTY MORTGAGES**86.010 Nature of mortgagee's interest.**

A mortgage of real property is not a conveyance so as to enable the owner of the mortgage to recover possession of the property without a foreclosure and sale. This section is not intended as a limitation upon the right of the owner of real property to mortgage or pledge the rents and profits thereof, nor as prohibiting the mortgagee or pledgee of such rents and profits, or any trustee under a mortgage or trust deed from entering into possession of any real property, other than farmlands or the homestead of the mortgagor or successor in interest, for the purpose of operating the same and collecting the rents and profits thereof for application in accordance with the provisions of the mortgage or trust deed or other instrument creating the lien, nor as any limitation upon the power of a court of equity to appoint a receiver to take charge of the property and collect the rents and profits thereof.

86.020 Covenant to pay money not implied. No mortgage shall be construed as implying a covenant for the payment of the sum thereby secured. When there is no express covenant for such payment contained in the mortgage, and no bond or other separate instrument to secure such payment shall have been given, the remedies of the mortgagee shall be confined to the lands mentioned in the mortgage.

86.030 Absolute deed as a mortgage. When a deed purports to be an absolute conveyance in terms, but is made or intended to be made defeasible by a deed of defeasance or other instrument, the original conveyance shall not be thereby defeated or affected as against any person other than the maker of the defeasance, or the heirs or devisees of the maker, or persons having actual notice thereof, unless the instrument of defeasance is recorded with the recording officer of the county where the lands lie.

86.040 Improvements on mortgaged lands. No person shall sell, dispose of, remove or damage any building or other improvements upon mortgaged lands. All such improvements are deemed a part of the mortgaged property and are subject to the mortgage lien. When any improvements are removed from the mortgaged premises in violation of this section, the mortgagee may follow and regain possession of such improvements wherever found or may recover the reasonable value thereof from the person removing them.

86.050 Payment of taxes and other charges by mortgagee. Whenever a mortgagor fails to pay when due any taxes, assessments, interest on prior mortgages, in-

surance premiums or other charges necessary to be paid for the protection of the lien of a mortgagee, the mortgagee may pay the same, and such payments shall be added to the mortgage debt and secured by the mortgage held by the mortgagee, and shall bear interest at the same rate as specified in the mortgage. This section applies only to mortgages executed after June 3, 1929, and does not affect the right of parties to specifically contract otherwise than as provided in this section.

86.060 Assignment of mortgage. Mortgages may be assigned by an instrument in writing, executed and acknowledged with the same formality as required in deeds and mortgages of real property, and recorded in the records of mortgages of the county where the land is situated.

86.070 [Repealed by 1965 c.252 §1]

86.080 Record of assignment not notice to mortgagor. The recording of the assignment of a mortgage is not of itself notice of such assignment to the mortgagor, or the heirs or personal representatives of the mortgagor, so as to invalidate a payment made by any of them to the mortgagee.

86.090 [Repealed by 1965 c.252 §1]

86.095 Acts not affecting priority of lien of credit instrument. (1) Actions that do not affect the priority granted to the lien of a credit instrument at the time it is first received for recordation shall include but shall not be limited to:

(a) Renegotiation or adjustment of the initial interest rate provided in the note or the credit instrument, upward or downward, which may increase or decrease the amount of periodic payments or may extend or shorten the term of the credit instrument, or both;

(b) An increase in the underlying obligation secured by the credit instrument during any part of the term of the credit instrument as a result of deferment of all or a portion of the interest payments and the addition of such payments to the outstanding balance of the obligation;

(c) Execution of new notes at designated intervals during the term of the credit instrument that reflect changes made pursuant to paragraph (a) or (b) of this subsection;

(d) Extension of the term of the credit instrument;

(e) Substitution of a note if there is no increase in the principal amount to be paid under the note;

(f) Modification of periodic payments required under the note if there is no increase in the principal amount due under the note; or

(g) Advances made under ORS 86.155.

(2) As used in this section, the addition of accrued interest to the principal amount of the underlying obligation is not an increase in the principal amount.

(3) As used in this section, "credit instrument" includes a mortgage, a line of credit instrument, a deed of trust and a contract for sale of real property. [1981 c.304 §2; 1987 c.716 §2; 1991 c.246 §1; 2001 c.20 §1]

86.100 Discharge of mortgage. Any mortgage shall be discharged of record whenever there is presented to the recording officer a certificate executed by the mortgagee, or the personal representatives or assigns of the mortgagee, acknowledged or proved and certified as prescribed by law to entitle conveyances to be recorded, specifying that such mortgage has been paid or otherwise discharged. Every such certificate, and the proof or acknowledgment thereof, shall be recorded at full length. [Amended by 1965 c.252 §2]

86.110 Discharge of record by owner and holder of mortgage note who is not the mortgagee of record. (1) Whenever a promissory note secured by mortgage on real property is transferred by indorsement without a formal assignment of the mortgage, and the mortgage is recorded, the mortgage, upon payment of the promissory note, may be discharged of record by the owner and holder of the promissory note making and filing with the appropriate recording officer a certificate, verified by oath, proving the satisfaction of mortgage and declaring, in substance, that the owner and holder is the owner and holder of the note secured by the mortgage by indorsement of the mortgagee and that the note has been fully paid and proving that fact to the satisfaction of the recording officer.

(2) Upon receiving the certificate, the recording officer shall record the document and index the document as a satisfaction of mortgage. The record shall have the same effect as a deed of release of the mortgagee duly acknowledged and recorded. [Amended by 1965 c.252 §3; 2001 c.577 §1]

86.120 Discharge of mortgage on real property; effect of discharge. No mortgage upon real property shall be discharged except as provided in ORS 86.110 or by the person appearing upon the records of the county where the mortgage is recorded to be the owner thereof. A discharge of the mortgage by such person shall operate to free the land described in the mortgage from the lien of the mortgage as against all subsequent purchasers and incumbrances for value and without notice.

86.130 Discharge by foreign executors, administrators, conservators and guardians. Foreign executors, administrators, conservators and guardians may discharge mortgages upon the records of any county upon recording with the recording officer of the county in which the mortgage is recorded a certified copy of their letters testamentary, or of administration, or of guardianship or of conservatorship. The certificate shall include a statement that the letters are in effect, and the certificate shall be recorded in the mortgage records. [Amended by 1973 c.506 §§2,44]

86.140 Liability of mortgagee for failure to discharge mortgage. If any mortgagee or the personal representative or assignee of the mortgagee, after full performance of the condition of the mortgage before or after a breach thereof, shall, within 30 days after being thereto requested, and after tender of reasonable charges, fail to discharge the same, or to execute and acknowledge a certificate of discharge or release thereof, that person shall be liable to the mortgagor, or the heirs or assigns of the mortgagor, in the sum of \$500 damages and also for all actual damages occasioned by such failure, to be recovered in an action at law. The owner and holder of the promissory note referred to in ORS 86.110 is deemed the personal representative of the mortgagee for the purposes of this section. [Amended by 1955 c.29 §1; 1955 c.512 §1; 1993 c.648 §1]

86.150 Loan agreements and promissory notes to state maximum prepayment privilege penalty. (1) Any person making a loan having a loan period of more than three years secured by a mortgage or by a trust deed on real property located in this state shall, with respect to such loan, expressly and clearly state on the loan agreement and promissory note any maximum prepayment privilege penalty. The statement shall include the maximum prepayment penalty applicable for prepayment during the first year of the loan period and for each year thereafter.

(2) Violation of subsection (1) of this section with respect to a loan agreement or promissory note shall render any prepayment privilege penalty provision in the agreement void.

(3) "Loan agreement" as used in this section means a written document issued in connection with a particular loan which sets forth the terms upon which the loan will be made. "Loan agreement" does not include a mortgage or trust deed which secures a promissory note. Nothing in this section shall be deemed to require a lender to issue a loan agreement.

(4) This section does not apply to any loan agreement executed on or before September 13, 1967, or any loan not primarily for personal, family or household use. [1967 c.336 §§1,2; 1987 c.716 §3]

86.155 Priority of line of credit instrument as to certain advances; procedure to limit indebtedness in residential line of credit instrument. (1) As used in this section:

(a) "Credit agreement" means any promissory note, loan agreement or other agreement that provides for advances subsequent to the date of recording of the line of credit instrument that secures the note or agreement.

(b) "Line of credit instrument" means a mortgage or trust deed that secures a consumer or commercial credit agreement and creates a lien on specified real property up to a stated amount, provided that the front page of the mortgage or trust deed, or a memorandum thereof:

(A) Contains the legend "line of credit mortgage," "line of credit trust deed" or "line of credit instrument" either in capital letters or underscored above the body of the mortgage or trust deed;

(B) States the maximum principal amount to be advanced pursuant to the credit agreement; and

(C) States the term or maturity date, if any, of the credit agreement exclusive of any option to renew or extend the term or maturity date.

(c) "Residential line of credit instrument" means any line of credit instrument creating a lien on real property upon which are situated or will be constructed four or fewer residential units, one of which, at the time the credit agreement is entered into, is the borrower's residence or is intended, following construction, to be a residence of the borrower.

(2) A line of credit instrument shall have priority, regardless of the knowledge of the lienholder of any intervening lien, as of its date of recording as to the following advances whether the advances are optional or obligatory advances:

(a) Principal advances made any time pursuant to the credit agreement, to the extent the total outstanding advances do not exceed the maximum principal amount stated in the line of credit instrument under subsection (1)(b)(B) of this section;

(b) Interest, lawful charges and advances made any time pursuant to the credit agreement for the reasonable protection of the real property including, but not limited to, advances to pay real property taxes, hazard

insurance premiums, maintenance charges imposed under a declaration or restrictive covenant and reasonable attorney fees, whether or not the interest, lawful charges or advances exceed the maximum principal amount stated in the line of credit instrument under subsection (1)(b)(B) of this section; and

(c) Advances made any time after the date of recording and pursuant to a credit agreement that is not secured by a residential line of credit instrument to complete construction of previously agreed-upon improvements on the real property, whether or not the advances exceed the maximum principal amount stated in the line of credit instrument under subsection (1)(b)(B) of this section provided, however, that the front page of the instrument states that the maximum principal amount to be advanced pursuant to the credit agreement may be exceeded by advances to complete construction pursuant to this subsection.

(3) Actions that do not affect the priority granted to the advances set forth in subsection (2) of this section shall include, but not be limited to, those actions set forth in ORS 86.095 (1). If any modification to a credit agreement increases the maximum principal amount to be advanced pursuant to the credit agreement, then principal advances that are made that exceed the original maximum principal amount stated in the line of credit instrument shall have priority as of the date of recording an amendment to the line of credit instrument that states the increased maximum principal amount.

(4) In the case of a residential line of credit instrument, the debtor may limit the indebtedness secured by that line of credit instrument to the amount of the credit outstanding by delivering a notice by personal service upon the lienholder or trust deed beneficiary or by mailing a notice by certified mail, return receipt requested, to the lienholder or trust deed beneficiary at the address given for payment or, if none, to the address of the lienholder or trust deed beneficiary indicated in the line of credit instrument or deed of trust. To be sufficient to limit indebtedness under this subsection, the notice must:

(a) State that it is made under this section;

(b) Contain the legal description in the line of credit instrument or the street address of the real property;

(c) Provide the information necessary to locate the line of credit instrument in the public record;

(d) State the debtor's intention to limit the amount of credit secured by the line of

credit instrument to the amount owed at the time the notice is received;

(e) State the date sent; and

(f) Be signed and acknowledged by all debtors obligated under the line of credit instrument.

(5) Not later than the 20th day after receipt of the notice described in subsection (4) of this section, the lienholder or trust deed beneficiary shall:

(a) Indorse on the notice, or on an addendum to the notice, the principal amount of the indebtedness secured by the line of credit instrument on the date the lienholder or trust deed beneficiary received notice;

(b) Sign and acknowledge the notice or the addendum, if applicable; and

(c) Record the notice and addendum in the public record where the line of credit instrument was originally recorded.

(6) If the lienholder or trust deed beneficiary fails to record the notice and addendum, if applicable, within the time period specified in subsection (5) of this section, the debtor may record the notice in the public record where the line of credit instrument was originally recorded, together with proof of receipt by, or personal delivery to, the lienholder or trust deed beneficiary.

(7) Notwithstanding subsection (4) of this section, the line of credit instrument shall continue to have priority as of its date of recording as to:

(a) Principal advances, including any advance the creditor is required to honor, that were made before a notice under subsection (4) of this section is received;

(b) Interest, lawful charges and advances described in subsection (2)(b) and (c) of this section; and

(c) All advances made after a notice under subsection (4) of this section is received that are within the amount owed at the time the notice under subsection (4) of this section is given. [1987 c.716 §4; 1989 c.198 §1; 1991 c.313 §1; 1991 c.438 §1; 1997 c.152 §1; 2001 c.20 §2; 2007 c.71 §18]

86.157 Action for residual debt after short sale of residential property; payoff statements. (1) As used in this section:

(a) “Borrower” means an individual who, directly or indirectly and individually or together with another person, is obligated on a real estate loan agreement, including but not limited to a mortgagor or a grantor, as defined in ORS 86.705, or an assignee or successor in interest.

(b) “Lender” means a person that makes, extends or holds a real estate loan agreement, including but not limited to a

mortgagee or a beneficiary, as defined in ORS 86.705, or an assignee or successor in interest.

(c) “Payoff statement” means a written statement that sets forth, as of the date the lender prepares the statement, amounts a borrower must pay in order to fully satisfy the borrower’s obligation under a real estate loan agreement.

(d) “Real estate loan agreement” means an arrangement between a lender and a borrower, including but not limited to a mortgage or a trust deed, by means of which the lender agrees to extend a loan and the borrower agrees to secure the loan in whole or in part with residential property, or an interest in residential property, that is located in this state.

(e) “Residential property” means real property upon which is situated four or fewer improvements designed for residential use, one of which a borrower occupies as the borrower’s residence.

(f) “Residual debt” means an amount due on a loan, evidence of which exists in a real estate loan agreement, note, bond, contract or similar written agreement, that a borrower is unable to pay out of the proceeds from a sale of the residential property that secures the loan.

(g) “Short sale” means a sale of residential property that is subject to foreclosure under ORS 86.705 to 86.815 or ORS chapter 88 for an amount that is less than the remaining amount due on the loan that the residential property secures.

(2) If a lender reports to the Internal Revenue Service that as a consequence of or in conjunction with a short sale of residential property the lender has canceled all or a portion of a borrower’s obligation under a real estate loan agreement and the lender provides to the borrower written evidence of the lender’s report to the Internal Revenue Service, the lender or an assignee of the lender may not bring an action or otherwise seek payment for the residual debt following the short sale.

(3)(a) Except as provided in paragraph (b) of this subsection, a borrower or an agent of the borrower may rely on a payoff statement for the purpose of establishing the amount the borrower must pay to satisfy the borrower’s obligation under a real estate loan agreement other than a real estate loan agreement for a construction loan.

(b) A borrower or an agent of the borrower may not rely on a payoff statement after a lender prepares and delivers an amended payoff statement to the borrower or borrower’s agent. For purposes of this paragraph, a lender delivers an amended payoff

statement to the borrower or borrower's agent if the lender provides the amended payoff statement by electronic means in accordance with ORS chapter 84, sends the amended payoff statement by United States mail postage prepaid and correctly addressed to the borrower or borrower's agent or sends the amended payoff statement by facsimile, provided that the borrower or borrower's agent receives the amended payoff statement before the borrower disburses funds for the purpose of satisfying the obligation in accordance with subsection (5) of this section.

(4) If an amount that a borrower owes under a real estate loan agreement, other than a real estate loan agreement for a construction loan, does not appear on a payoff statement or amended payoff statement and the borrower or an agent of the borrower satisfies the obligation set forth in the payoff statement in accordance with subsection (5) of this section, the lender may recover the amount only as an unsecured obligation or only by foreclosing a mortgage, trust deed or security agreement for any other property that secures the obligation.

(5) To satisfy an obligation set forth in a payoff statement or an amended payoff statement, a borrower must submit the amount shown in the payoff statement or amended payoff statement, instruct the lender to close any line of credit that is related to the obligation and request a certificate described in ORS 86.100 or a reconveyance under ORS 86.720 before any deadline, expiration date or maturity date specified in the payoff statement or amended payoff statement. A borrower that disburses funds to a lender in the amount shown in the payoff statement or an amended payoff statement has discharged a mortgage for the purpose of requesting a certificate under ORS 86.100 or performed the borrower's obligation for the purpose of requesting a reconveyance under ORS 86.720. [2011 c.480 §1; 2015 c.431 §1]

Note: 86.157 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 86 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

LATE CHARGES

86.160 Definitions for ORS 86.160 to 86.185. As used in ORS 86.160 to 86.185:

(1) "Late charge" means a sum payable by a mortgagor to the holder of a mortgage pursuant to a note or mortgage to compensate the holder for servicing and other costs attributable to the receipt of mortgage payments from the mortgagor after the date upon which payment is due.

(2) "Mortgagor" includes the grantor under a deed of trust.

(3) "Mortgage" includes a deed of trust.

(4) "Residential real property" means a single-family, owner-occupied dwelling and appurtenances. [1977 c.427 §1]

86.165 Late charge. No lender may impose a late charge:

(1) With respect to any periodic installment payment received by it within 15 days after the due date. However, if the 15-day period ends on a Saturday, Sunday or legal holiday the 15-day period is extended to the next business day.

(2) In a dollar amount which exceeds five percent of the sum of principal and interest of the delinquent periodic installment payment or the amount provided in the note or mortgage held by the lender, whichever is the lesser.

(3) Unless the note or mortgage held by the lender provides for payment of a late charge on delinquent periodic installments and a monthly billing, coupon or notice is provided by the lender disclosing the date on which periodic installments are due and that a late charge may be imposed if payment is not received by lender within 15 days thereafter. However, if the lender and the borrower have provided in the note or other written loan agreement that the payments on the loan shall be made by the means of automatic deductions from a deposit account maintained by the borrower, the lender shall not be required to provide the borrower with a monthly billing, coupon or notice under this subsection with respect to any occasion on which there are insufficient funds in the borrower's account to cover the amount of a loan payment on the date the loan payment becomes due and within the period described in subsection (1) of this section.

(4) More than once on any single installment. [1977 c.427 §2; 1979 c.101 §1; 1993 c.280 §1]

86.170 Prohibited mortgage provisions. Any provision in a mortgage for a late charge except as authorized by ORS 86.160 to 86.185 shall be invalid. [1977 c.427 §3; 1997 c.631 §384]

86.175 Scope. ORS 86.160 to 86.185 shall be applicable only to late charges on loans secured by residential real property. [1977 c.427 §4]

86.180 ORS 86.160 to 86.185 not applicable to certain mortgagees; notice to borrowers. Nothing in ORS 86.160 to 86.185 shall pertain to a mortgage banking company or mortgage servicing company except that if the terms of the mortgage do not conform to the requirements of ORS 86.165, the borrower shall be notified prior to the execution of the mortgage. [1977 c.427 §5]

86.185 ORS 86.160 to 86.185 not applicable to certain loans. Nothing in ORS 86.160 to 86.185 shall apply to loans insured, guaranteed or purchased by an instrumentality of the federal government, whose regulations establish late charge limitations. [1977 c.427 §6]

REAL ESTATE LOANS; SECURITY PROTECTION

86.205 Definitions for ORS 86.205 to 86.275. As used in ORS 86.205 to 86.275:

(1) “Borrower” means any person who becomes obligated on a real estate loan agreement, either directly or indirectly, and includes, but is not limited to, mortgagors, grantors under trust deeds, vendees under conditional land sales contracts, and persons who purchase real property that secures a real estate loan agreement, whether the persons assume the loan or purchase the property subject to the loan.

(2) “Direct reduction provision” or “capitalization provision” means any provision that is part of a real estate loan agreement, whether incorporated into the agreement or as part of a separately executed document, under the terms of which the borrower makes periodic prepayment of property taxes, insurance premiums and similar charges to the lender or the designee of the lender, who applies the prepayments first to accrued interest and then to the principal amount of the loan, and upon paying the charges, adds the amount of the payment to the principal amount of the loan.

(3) “Escrow account” means any account that is a part of a real estate loan agreement, whether incorporated into the agreement or as part of a separately executed document, into which the borrower makes periodic prepayment to the lender or the designee of the lender of taxes, insurance premiums, and similar charges, and out of which the lender or the designee of the lender pays the charges at the due dates.

(4) “Lender” means any person who makes, extends, or holds a real estate loan agreement and includes, but is not limited to, mortgagees, beneficiaries under trust deeds, and vendors under conditional land sales contracts.

(5) “Lender’s security protection provision” means any provision that is a part of a real estate loan agreement, whether incorporated into the agreement or as part of a separately executed document, under the terms of which the borrower prepays, pledges or otherwise commits cash or other assets the borrower owns in advance of due dates for payments of property taxes, insurance premiums and similar charges relating to the

property securing the loan in order to ensure timely payment of the charges and protect the lender’s security interest in the property, and includes, but is not limited to, escrow accounts, direct reduction provisions, capitalization provisions, and pledges of savings accounts.

(6) “Person” means an individual, a corporation, an association or a partnership and includes, but is not limited to, a financial institution as defined in ORS 706.008, an investment company, an insurance company, a pension fund, or a mortgage company.

(7) “Real estate loan agreement” or “real estate loan” means any agreement that provides for a loan on residential property, including multifamily property, that the borrower occupies and that is secured in whole or in part by real property, or any interest in real property, that is located in this state, and includes, but is not limited to, a mortgage, a trust deed or a conditional land sale contract. [1975 c.337 §1; 1997 c.631 §385; 2009 c.294 §11; 2013 c.200 §1]

86.210 Types of lender security protection provisions allowed. A lender may require a lender’s security protection provision under ORS 86.205 to 86.275 either as a direct reduction provision, an escrow account, or a pledge of an interest-bearing savings account in an amount not to exceed the maximum amount which a lender may require a borrower to deposit in a lender’s security protection provision under ORS 86.240 and bearing interest at a rate not less than the rate required on lender’s security protection provisions by ORS 86.245. [1975 c.337 §2; 1987 c.577 §1]

86.214 Application of ORS 86.210 and 86.245 to real estate loan agreements. To the extent not inconsistent with provisions of existing real estate loan agreements and provided such agreements are not silent with regard to a lender’s security protection provision, the provisions of ORS 86.210, 86.245 and this section shall apply to real estate loan agreements entered into prior to, on and after October 1, 1987. To the extent that the provisions of existing real estate loan agreements are inconsistent with the provisions of ORS 86.210, 86.245 and this section, the existing real estate loan agreements are silent as to a lender’s security protection provision, or any part of ORS 86.210, 86.245 and this section is declared unconstitutional as to existing real estate loan agreements, the provisions of ORS 86.205 to 86.275 (1985 Replacement Part) shall govern and be in full force and effect. [1987 c.577 §4]

86.215 [1975 c.337 §§3,4,5; 1985 c.613 §2; repealed by 1987 c.577 §5]

86.220 [1975 c.337 §6; repealed by 1987 c.577 §5]

86.225 [1975 c.337 §6a; repealed by 1987 c.577 §5]

86.230 [1975 c.337 §6b; repealed by 1987 c.577 §5]

86.235 [1975 c.337 §7; repealed by 1987 c.577 §5]

86.240 Limit on amount required in security protection escrow account; compliance with federal laws for certain loans as compliance with state laws. (1)

No lender, in connection with a real estate loan agreement, shall require a borrower or prospective borrower:

(a) To deposit in any escrow account which may be established in connection with the agreement, prior to or upon the date of settlement, a sum in excess of the estimated total amount of property taxes, insurance premiums, and similar charges which actually will be due and payable on the date of settlement, and the pro rata portion thereof which has accrued, plus one-sixth of the estimated total amount of the charges which will become due and payable during the 12-month period beginning on the date of settlement; or

(b) To deposit in any escrow account, which may be established in connection with the agreement, in any month beginning after the date of settlement a sum in excess of one-sixth of the total amount of estimated property taxes, insurance premiums or similar charges which will become due and payable during the 12-month period beginning on the first day of the month, except that in the event the lender determines there will be a deficiency on the due date, the lender shall not be prohibited from requiring additional monthly deposits in the escrow account of pro rata portions of the deficiency corresponding to the number of months from the date of the lender's determination of the deficiency to the date upon which the charges become due and payable.

(2) For real estate loan agreements subject to the federal Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) and to Regulation X of the federal Department of Housing and Urban Development (24 C.F.R. 3500.1 et seq.), compliance with the Real Estate Settlement Procedures Act and with Regulation X shall be considered to be compliance with this section. [1975 c.337 §13; 1995 c.182 §1]

86.245 Interest on security protection deposits; exception. (1) As used in this section, "discount rate" means the auction average rate on 91-day United States Treasury bills, as established by the most recent auction of such Treasury bills, as published by the United States Department of the Treasury, Bureau of the Public Debt, less 100 basis points.

(2) Except as provided in subsections (5) and (7) of this section, any lender who requires a lender's security protection provision in connection with a real estate loan

agreement shall pay interest to the borrower on funds deposited in the account at a rate not less than the discount rate. The discount rate shall be determined with reference to the most recent auction date before May 15 and November 15 each year.

(3) The rate of interest payable on the account shall be adjusted semiannually to reflect changes in the discount rate. These adjustments shall be calculated on May 15 and November 15 each year. Adjustments calculated on May 15 shall take effect on the following July 1, and adjustments calculated on November 15 shall take effect on the following January 1.

(4) Interest shall be computed on the average monthly balance in the account and shall be paid not less than quarterly to the borrower by crediting to the escrow account the amount of the interest due.

(5) Except as provided in subsection (6) of this section, this section does not apply to real estate loan agreements entered into prior to September 1, 1975, or on which the payment of interest on a lender's security protection provision violates any state or federal law or regulation.

(6) If federal law or regulation does not prohibit the payment of interest on a lender's security protection provision by federally chartered or organized lenders, this section applies to the federally chartered or organized lenders and the state chartered or organized lenders that are similar to the federally chartered or organized lenders with respect to a lender's security protection provision executed in connection with real estate loan agreement entered into prior to and in existence on September 1, 1975.

(7) This section does not apply to real estate loan agreements made by, held for sale to or sold to the State of Oregon. [1975 c.337 §8; 1979 c.327 §29; 1983 c.492 §1; 1987 c.577 §2; 1995 c.182 §2; 1997 c.68 §1; 2005 c.3 §1]

86.250 Service charge prohibited where interest required. No lender requiring a lender's security protection provision with respect to which interest is required to be paid by the lender under ORS 86.245 shall impose a service charge in connection with such provision. [1975 c.337 §9]

86.255 Arrangements where security protection provisions not required; information to borrower. In any real estate loan agreement with respect to which a lender does not require a lender's security protection provision, the parties may mutually agree to any arrangement whereby the borrower prepays, pledges or otherwise commits assets in advance of due dates for payment of property taxes, insurance premiums and similar charges relating to the real property

in order to assist the borrower in making timely payments of the charges. Prior to entering any such arrangement, the lender shall furnish the borrower a statement in writing, which may be set forth in the loan application:

(1) That the arrangement is not a condition to the real estate loan agreement;

(2) If it is an escrow account, whether or not the lender will pay interest and if interest is to be paid, the rate of interest; and

(3) Whether or not the borrower must pay the lender a charge for the service. If a charge is agreed to, the charge shall not exceed the amount of interest income earned under subsection (2) of this section. [1975 c.337 §10]

86.260 Payment of taxes where security protection provision required; credit of discount where taxes not paid; cause of action by borrower. (1) If a lender has a requirement that the borrower pay funds into a lender's security protection provision for the payment of property taxes on property that is the security for the real estate loan agreement, insurance premiums, and similar charges, and there are funds in the account, the lender shall pay the taxes or the amount in the account if less than the taxes due, in time to take advantage of any discount authorized by ORS 311.505, and all other charges on or before the due dates for payments.

(2)(a) If the lender fails to pay the taxes in accordance with subsection (1) of this section resulting in a loss of discount to the borrower, the lender shall credit the lender's security protection provision in an amount equal to the amount of discount denied on account of such failure, together with any interest that has accrued on the unpaid property taxes to the date the property taxes are finally paid.

(b) If the failure of the lender to comply with subsection (1) of this section is willful and results in the loss to the borrower of the discount, or if the failure to comply was not willful but upon discovery of the failure to comply and the loss of discount, the lender fails to credit the lender's security protection provision required by paragraph (a) of this subsection, the borrower shall have a cause of action against the lender to recover an amount equal to 15 times the amount of discount the borrower would have received, together with any interest that accrued on the unpaid property taxes to the date of recovery. The court may award reasonable attorney fees to the prevailing party in an action under this section. [1975 c.337 §11; 1979 c.703 §15; 1981 c.897 §18; 1995 c.618 §48]

86.265 Effect of lender violation of ORS 86.205 to 86.275. A violation of ORS 86.205 to 86.275 by a lender shall render the lender's security protection provision voidable at the option of the borrower, and the lender shall be liable to the borrower in an amount equal to:

(1) The borrower's actual damages or \$100, whichever is greater, and

(2) In the case of any successful action to enforce the foregoing liability, the court costs of the action together with reasonable attorney fees at trial and on appeal as determined by the court if the court finds that written demand for the payment of the borrower's claim was made on the lender not less than 10 days before the commencement of the action. No attorney fees shall be allowed to the borrower if the court finds that the lender tendered to the borrower, prior to the commencement of the action, an amount not less than the damages awarded to the borrower. [1975 c.337 §14; 1981 c.897 §19]

86.270 ORS 86.205 to 86.275 inapplicable to certain loan agreements; notice to borrower. ORS 86.205 to 86.275 shall not apply to a real estate loan agreement which is serviced or held for sale within one year by a mortgage servicing company neither affiliated with nor owned in whole or in part by the purchaser and which is made, extended or held by a purchaser whose principal place of business is outside this state; provided that if the purchaser requires a lender's security protection provision, prior to entering into such agreement, the mortgage servicing company shall furnish the borrower a statement in writing, which may be set forth in the loan application, that the mortgage servicing company is not required by the laws of this state to pay interest on the lender's security protection provision, and specifically informing the borrower why the borrower is not entitled to interest on the account. [1975 c.337 §15]

86.275 Severability. If any section of ORS 86.205 to 86.275, or the application of any section to any real estate loan agreement shall be held invalid, the remainder of ORS 86.205 to 86.275, and the application of ORS 86.205 to 86.275 to any real estate loan agreement other than the one or those to which it is held invalid, shall not be affected thereby. [1975 c.337 §12]

86.310 [Amended by 1955 c.21 §1; repealed by 1961 c.726 §427]

86.315 [1953 c.700 §2; repealed by 1961 c.726 §427]

86.320 [Repealed by 1961 c.726 §427]

86.330 [Repealed by 1961 c.726 §427]

86.340 [Repealed by 1961 c.726 §427]

86.350 [Amended by 1955 c.182 §1; repealed by 1961 c.726 §427]

86.360 [Repealed by 1961 c.726 §427]

86.370 [Amended by 1957 c.404 §1; repealed by 1961 c.726 §427]

86.380 [Repealed by 1961 c.726 §427]

86.390 [Repealed by 1961 c.726 §427]

86.400 [Repealed by 1961 c.726 §427]

CHATTEL MORTGAGES

86.405 Secretary of State to furnish statement of mortgages filed before September 1, 1963; fee. Upon the payment of a fee of 50 cents for each name to be searched for chattel mortgages filed under former ORS 86.370 or 86.390, prior to September 1, 1963, the Secretary of State shall furnish to any person applying therefor a statement of any mortgages noted on the indexes created under former ORS 86.380, or if no mortgages are noted, a statement to that effect. All such fees received by the Secretary of State shall be promptly paid to the State Treasurer and placed in the General Fund. [1961 c.726 §409]

86.410 [Repealed by 1961 c.726 §427]

86.420 [Repealed by 1961 c.726 §427]

86.430 [Repealed by 1961 c.726 §427]

86.440 Discharge of mortgage recorded with county recording officer. Whenever any mortgage recorded under the provisions of ORS 86.350 (1959 Replacement Part) is paid or otherwise satisfied, it shall be discharged by the recording with the recording officer of a certificate of such owner, executed and acknowledged with the same formalities as are prerequisite to the recording of any such mortgage, showing the date of execution, date of recording, and recording number of the record thereof, and that such mortgage has been fully discharged. [Amended by 1999 c.654 §4]

86.450 [Repealed by 1961 c.726 §427]

86.460 Discharge of mortgage filed with Secretary of State; fee. In the event of the satisfaction or release of any chattel mortgage, a certified copy of which has been filed with the Secretary of State prior to September 1, 1963; the person so satisfying or releasing the mortgage shall send a duly executed discharge or certified copy thereof, with a fee of 25 cents, to the Secretary of State, who shall note such discharge in an appropriate column of the index kept by the Secretary of State. All such fees received by the Secretary of State shall be promptly paid to the State Treasurer and placed in the General Fund. [Amended by 1961 c.726 §407]

86.470 Discharge, assignment and foreclosure of mortgages on chattels registered and licensed by Department of Transportation. The recording officer of counties having less than 50,000 population on the last day of each calendar month, and

the recording officer of counties having more than 50,000 population on the last day of each calendar week, shall notify the Department of Transportation, upon forms to be provided by the department, of the partial or full satisfaction, assignment or foreclosure during such period of all mortgages theretofore certified to the department prior to September 1, 1963, as formerly provided in ORS 86.390. The notice shall completely identify the mortgage so satisfied, assigned or foreclosed; and the department thereupon shall note on each index margin such satisfaction, assignment or foreclosure. [Amended by 1961 c.726 §408]

86.480 [Repealed by 1961 c.726 §427]

86.490 [Repealed by 1961 c.726 §427]

86.500 [Amended by 1955 c.30 §1; repealed by 1961 c.726 §427]

86.510 [Repealed by 1961 c.726 §427]

86.520 [Repealed by 1961 c.726 §427]

INVESTMENTS; FEDERAL HOUSING ADMINISTRATOR

86.610 Power of financial institutions, fiduciaries and others to make loans secured by property insured by Federal Housing Administrator. Financial institutions as defined in ORS 706.008, trustees, guardians, conservators, executors, administrators, other fiduciaries and all other persons, associations and corporations, subject to the laws of this state, may make such loans, secured by real property or leasehold, as the Federal Housing Administrator insures or makes a commitment to insure, and may obtain such insurance. [Amended by 1967 c.359 §678; 1973 c.823 §93; 1997 c.631 §386]

86.620 Investment of funds of financial institutions, fiduciaries and others in bonds and mortgages accepted by Federal Housing Administrator, debentures issued thereby, and obligations of national mortgage associations. Financial institutions as defined in ORS 706.008, trustees, guardians, conservators, executors, administrators, other fiduciaries and all other persons, associations and corporations, subject to the laws of this state, may invest their funds, and the money in their custody or possession, eligible for investment, in bonds and mortgages on real property insured by the Federal Housing Administrator, in debentures issued by the Federal Housing Administrator, and in obligations of national mortgage associations. [Amended by 1967 c.359 §679; 1973 c.823 §94; 1997 c.631 §387]

86.630 Eligibility of securities described in ORS 86.620 as security for deposits, investment or reserve of securities. Whenever, by statute, collateral is required as security for the deposit of public or other funds, or deposits are re-

quired to be made with any public official or department, or an investment of capital or surplus, or a reserve or other fund is required to be maintained consisting of designated securities, the securities described in ORS 86.620 shall be eligible for such purposes.

86.640 Applicability of other laws requiring security or regulating loans and investments. No law of this state requiring security upon which loans or investments may be made, or prescribing the nature, amount or form of such security, or prescribing or limiting the period for which loans or investments may be made, shall apply to loans or investments made pursuant to ORS 86.610 and 86.620.

TRUST DEEDS

(General Provisions)

86.705 Definitions for ORS 86.705 to 86.815. As used in ORS 86.705 to 86.815:

(1) “Affordable housing covenant” has the meaning given that term in ORS 456.270.

(2) “Beneficiary” means a person named or otherwise designated in a trust deed as the person for whose benefit a trust deed is given, or the person’s successor in interest, and who is not the trustee unless the beneficiary is qualified to be a trustee under ORS 86.713 (1)(b)(D).

(3) “Eligible covenant holder” has the meaning given that term in ORS 456.270.

(4) “Grantor” means the person that conveys an interest in real property by a trust deed as security for the performance of an obligation.

(5) “Law practice” means a professional corporation, partnership, limited liability partnership, limited liability company or sole proprietorship that is engaged in the practice of law in this state.

(6) “Residential trust deed” means a trust deed on property upon which are situated four or fewer residential units, one of which the grantor, the grantor’s spouse or the grantor’s minor or dependent child occupies as a principal residence at the time the trust deed is recorded or, in the case of a purchase money loan, one of which is intended to be the principal residence of the grantor, the grantor’s spouse or the grantor’s minor or dependent child after the trust deed is recorded.

(7) “Residential unit” means an improvement designed for residential use.

(8) “Trust deed” means a deed executed in conformity with ORS 86.705 to 86.815 that conveys an interest in real property to a trustee in trust to secure the performance of

an obligation the grantor or other person named in the deed owes to a beneficiary.

(9) “Trustee” means a person, other than the beneficiary, to whom a trust deed conveys an interest in real property, or the person’s successor in interest, or an employee of the beneficiary, if the employee is qualified to be a trustee under ORS 86.713. [1959 c.625 §1; 1961 c.616 §1; 1975 c.618 §1; 1983 c.719 §1; 1985 c.817 §1; 1989 c.190 §1; 2011 c.712 §1; 2012 c.112 §5; 2013 c.125 §1; 2013 c.465 §4; 2013 c.625 §3]

86.707 Additional definitions for ORS 86.726, 86.729, 86.732, 86.736, 86.741, 86.744 and 86.748. As used in this section and ORS 86.726, 86.729, 86.732, 86.736, 86.741, 86.744 and 86.748:

(1) “Facilitator” means a person that a service provider selects to conduct a resolution conference.

(2) “Foreclosure avoidance measure” means an agreement between a beneficiary and a grantor that uses one or more of the following methods to modify an obligation that is secured by a residential trust deed:

(a) The beneficiary defers or forbears from collecting one or more payments due on the obligation.

(b) The beneficiary modifies, temporarily or permanently, the payment terms or other terms of the obligation.

(c) The beneficiary accepts a deed in lieu of foreclosure from the grantor.

(d) The grantor conducts a short sale.

(e) The beneficiary provides the grantor with other assistance that enables the grantor to avoid a foreclosure.

(3) “Housing counselor” means a counselor employed by a nonprofit housing counseling agency that the Housing and Community Services Department or a successor state agency approves.

(4) “Resolution conference” means a meeting at which a grantor and a beneficiary attempt to negotiate and agree upon a foreclosure avoidance measure.

(5) “Service provider” means a person that the Attorney General appoints under ORS 86.741 to coordinate a program to implement the provisions of ORS 86.726, 86.729, 86.732 and 86.736. [2012 c.112 §2; 2013 c.304 §7]

86.710 Trust deeds authorized to secure performance of obligation; methods of foreclosure after breach. Transfers in trust of an interest in real property may be made to secure the performance of an obligation of a grantor, or any other person named in the deed, to a beneficiary. Where any transfer in trust of an interest in real property is made pursuant to the provisions of ORS 86.705 to 86.815 to secure the performance of an obligation, a power of sale is

conferred upon the trustee. The power of sale may be exercised after a breach of the obligation for which the transfer is security; and a trust deed, executed in conformity with ORS 86.705 to 86.815, may be foreclosed by advertisement and sale in the manner provided in ORS 86.705 to 86.815, or, at the option of the beneficiary, may be foreclosed by the beneficiary as provided by law for the foreclosure of mortgages on real property. [1959 c.625 §2; 1961 c.616 §2; 1965 c.457 §1; 1975 c.618 §2; 1979 c.879 §1; 1983 c.719 §2; 1987 c.480 §1]

86.713 Qualifications of trustee; certificate of authority to transact business; law practice serving as trustee; appointment of successor trustee; trustee's duties. (1) The trustee of a trust deed under ORS 86.705 to 86.815:

(a) Is not required to comply with the provisions of ORS chapters 707 and 709.

(b) Must be:

(A) An attorney who is an active member of the Oregon State Bar or a law practice that includes an attorney who is an active member of the Oregon State Bar;

(B) A financial institution or trust company, as defined in ORS 706.008, that is authorized to do business under the laws of Oregon or the United States;

(C) A title insurance company or a subsidiary, affiliate, insurance producer or branch of the title insurance company that is authorized to insure title to real property in this state;

(D) The United States or any agency of the United States; or

(E) An escrow agent that is licensed under ORS 696.505 to 696.590.

(c) Shall obtain from the Secretary of State a certificate of authority to transact business in this state as a foreign business entity, if the trustee is a person described in paragraph (b)(B) or (C) of this subsection, unless the trustee has registered with or obtained a certificate of authority from the Director of the Department of Consumer and Business Services.

(2) A law practice that, or an attorney who, is a trustee under subsection (1)(b)(A) of this section may represent the beneficiary in addition to performing the duties of trustee.

(3) At any time after a trust deed is executed, the beneficiary may appoint in writing another qualified trustee. If the appointment of the successor trustee is recorded in the mortgage records of the county or counties in which the trust deed is recorded, the successor trustee has the powers of the original trustee.

(4) A trustee or successor trustee is a necessary and proper party to any proceeding to determine the validity of a trust deed, or to enjoin any private or judicial proceeding to foreclose a trust deed, but a trustee or successor trustee is not a necessary or proper party to any proceeding to determine title to the property subject to the trust deed, or to any proceeding to impose, enforce or foreclose any other lien on the subject property.

(5) The provisions of ORS 86.705 to 86.815 do not impose a duty on the trustee or successor trustee to notify any person of any proceeding with respect to the person, except a proceeding that the trustee or successor trustee initiates.

(6) A trustee or the attorney for the trustee or any agent that the trustee or the attorney designates may announce and accept a bid from the beneficiary whether or not the beneficiary is present at the sale.

(7) The trustee or successor trustee does not have a fiduciary duty or fiduciary obligation to the grantor or other persons that have an interest in the property subject to the trust deed. The trustee or successor trustee is not relieved of the duty to reconvey the property that is subject to the trust deed to the grantor when the beneficiary requests a reconveyance.

(8) If a law practice is the trustee under subsection (1)(b)(A) of this section, an attorney who is an active member of the Oregon State Bar and is a shareholder, partner, member or employee of the law practice shall sign on the trustee's behalf any document that is permitted or required to be signed under ORS 86.705 to 86.815. The attorney who signs the document shall make evident in the document the attorney's name and Oregon State Bar number and shall state in the document that the trustee has authorized the attorney to sign the document on the trustee's behalf.

(9) If an attorney is the trustee under subsection (1)(b)(A) of this section, another attorney who is an active member of the Oregon State Bar and is a shareholder, partner, member or employee of the law practice in which the attorney practices law may sign on the trustee's behalf any document that is permitted or required to be signed under ORS 86.705 to 86.815. The attorney who signs the document shall make evident in the document the attorney's name and Oregon State Bar number and shall state in the document that the trustee has authorized the attorney to sign the document on the trustee's behalf. [Formerly 86.790]

86.715 Trust deed deemed to be mortgage on real property; applicability of mortgage laws. A trust deed is deemed to be a mortgage on real property and is subject to all laws relating to mortgages on real property except to the extent that such laws are inconsistent with the provisions of ORS 86.705 to 86.815, in which event the provisions of ORS 86.705 to 86.815 shall control. For the purpose of applying the mortgage laws, the grantor in a trust deed is deemed the mortgagor and the beneficiary is deemed the mortgagee. [1959 c.625 §21]

86.720 Reconveyance upon performance; liability for failure to reconvey; release of trust deed. (1) Within 30 days after performance of the obligation secured by the trust deed, the beneficiary shall deliver a written request to the trustee to reconvey the estate of real property described in the trust deed to the grantor. Within 30 days after the beneficiary delivers the written request to reconvey to the trustee, the trustee shall reconvey the estate of real property described in the trust deed to the grantor. In the event the obligation is performed and the beneficiary refuses to request reconveyance or the trustee refuses to reconvey the property, the beneficiary or trustee so refusing shall be liable as provided by ORS 86.140 in the case of refusal to execute a discharge or satisfaction of a mortgage on real property. The trustee may charge a reasonable fee for all services involved in the preparation, execution and recordation of any reconveyance executed pursuant to this section.

(2) If a full reconveyance of a trust deed has not been executed and recorded pursuant to the provisions of subsection (1) of this section within 60 calendar days of the date the obligation secured by the trust deed was fully satisfied, then:

(a) If the obligation was satisfied by a title insurance company or insurance producer or by payment through an escrow transacted by a title insurance company or insurance producer, upon the written request of the grantor or the grantor's successor in interest, the tender of reasonable charges and the compliance with the notice requirements of subsection (3) of this section, the title insurance company or insurance producer shall prepare, execute and record a release of trust deed.

(b) Upon compliance with the notice requirements of subsection (3) of this section, any title insurance company or insurance producer may prepare, execute and record a release of trust deed.

(3) Prior to the issuance and recording of a release pursuant to this section, the title insurance company or insurance producer shall give notice of the intention to record a

release of trust deed to the beneficiary of record and, if different, the party to whom the full satisfaction payment was made. The notice shall:

(a) Provide that the parties to whom the notice is sent shall have a period of 30 days from the date of mailing to send to the title insurance company or insurance producer their written objections to the execution and recording of the release of trust deed;

(b) Be sent by first class mail with postage prepaid, addressed to the named interested parties at their last-known addresses; and

(c) Identify the trust deed by the name of the original grantor and any successor in interest on whose behalf payment was made and by the recording reference.

(4) The release of trust deed shall recite on the first page that it has been executed and recorded pursuant to the provisions of this section. The release shall be properly acknowledged and shall set forth:

(a) The name of the beneficiary to whom the payment was made;

(b) The name of the original grantor of the trust deed and any successor in interest on whose behalf payment was made;

(c) The recording reference to the trust deed that is to be released;

(d) A recital that the obligation secured by the trust deed has been paid in full;

(e) The date and amount of payment;

(f) The date of mailing of notice required by this section; and

(g) A recital that no written objections were received by the title insurance company or insurance producer.

(5) The release of trust deed executed pursuant to this section shall be entitled to recordation and, when recorded, shall be deemed to be the equivalent of a reconveyance of a trust deed.

(6) The title insurance company or insurance producer shall not record or cause to be recorded a release of trust deed when any of the following circumstances exist:

(a) The 30-day period following notice given under this section has not expired; or

(b) Written objection to such recordation has been received by the title insurance company or insurance producer from any of the parties to whom notice was sent.

(7) The trustee, title insurance company or insurance producer may charge a reasonable fee for all services involved in the preparation, execution, recordation and compliance with this section, to effect the release of trust deed.

(8) Subsection (2) of this section does not excuse the beneficiary or trustee from compliance with subsection (1) of this section.

(9) In addition to any other remedy provided by law, a title insurance company or insurance producer preparing, executing or recording a release of trust deed shall be liable to any party for damages that the party sustains by reason of the negligence or willful misconduct of the title insurance company or insurance producer in connection with the issuance, execution or recording of the release pursuant to this section. Except as provided in subsection (10) of this section, the court may award reasonable attorney fees to the prevailing party in an action under this section.

(10) The court may not award attorney fees to a prevailing defendant under the provisions of subsection (9) of this section if the action under this section is maintained as a class action pursuant to ORCP 32.

(11) As used in this section, "insurance producer" means an authorized issuer of title insurance policies of a title insurance company who is licensed as an insurance producer for that purpose pursuant to ORS chapter 744.

(12) Subsections (2) to (11) of this section shall be applicable only to full reconveyances of the property described in the trust deed and not to reconveyances of parts or portions of the property.

(13) Subsections (1) to (12) of this section are applicable to all trust deeds, whether executed before, on or after November 4, 1993.

(14) A title insurance company or agent is not required to prepare, execute and record a release of trust deed under subsections (2) to (12) of this section if the obligation secured by the trust deed was satisfied prior to November 4, 1993. [1959 c.625 §18; 1993 c.648 §2; 1995 c.696 §15; 2001 c.254 §1; 2003 c.364 §49]

86.722 Correction of error concerning status or effect of trust deed; rights of bona fide purchaser. (1) To correct an error concerning the status or effect of a recorded trust deed, a person may present an instrument to the county clerk for recording in the deed and mortgage records of the county, and the county clerk shall record the instrument if it otherwise meets the requirements for an instrument to be recorded under ORS chapter 205 and is in substantially the following form:

CORRECTION OF ERROR(S)
IN THE DEED AND MORTGAGE
RECORDS RELATING TO
A TRUST DEED

(ORS 86.705 to 86.815)

This instrument is recorded to provide notice of an error relating to:

Original Deed of Trust

- County clerk instrument record #:
- Grantor (name):
- Trustee (name):
- Beneficiary (name):
- Assignee(s), if any (name(s)):

The error to be corrected is (check one):

- Erroneous reconveyance of trust deed
Date of recording:
County clerk instrument record #:
- Erroneous recording of Trustee's Deed
Date of recording:
County clerk instrument record #:

The result of this error correction is (check one):

- The original trust deed is hereby reinstated; or
- The Trustee's Deed is hereby set aside as though the erroneous instrument had not been recorded.

Date _____

Name (printed) _____

Signature _____

(Beneficiary of original deed of trust)

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2____, by _____.

Notary Public for Oregon
My commission expires: _____

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2____, by _____ and by _____ of _____, a corporation on behalf of the corporation.

Notary Public for Oregon

My commission expires: _____

(2) Reinstatement of a trust deed based on the correction of an error under this section does not affect the rights of a bona fide purchaser for value or of a bona fide purchaser for value holding a security interest in the real property if the purchaser acquired an interest after the erroneous trust deed reconveyance or trustee's deed was recorded and before the error was corrected. [2009 c.628 §3]

86.725 [1959 c.625 §20; renumbered 86.815 in 2013]

(Foreclosures)

86.726 Resolution conference for foreclosure; exemptions; procedure to request conference; fee. (1)(a) Except as provided in paragraph (b) of this subsection and subsection (5) of this section, a beneficiary that intends to foreclose a residential trust deed shall first request a resolution conference with the grantor before the beneficiary or the trustee files a notice of default under ORS 86.752 or before the beneficiary brings suit under ORS 88.010.

(b)(A) The requirement to request or participate in a resolution conference with a grantor in accordance with subsection (2) or (3) of this section does not apply to a beneficiary if the beneficiary submits to the Attorney General a sworn affidavit that states that during the preceding calendar year the beneficiary did not commence or cause an affiliate, subsidiary or agent of the beneficiary to commence more than 175 actions to foreclose a residential trust deed by advertisement and sale under ORS 86.752 or by suit under ORS 88.010. A beneficiary that is a trustee shall include as part of the total number of foreclosure actions that the beneficiary commenced in the previous calendar year all foreclosure actions that the beneficiary commenced under ORS 86.752 or 88.010 in the beneficiary's capacity as a trustee. A beneficiary that intends to claim an exemption under this subparagraph shall submit the affidavit in a form and with the contents the Attorney General specifies by rule either:

(i) Not later than January 31 in any calendar year in which the beneficiary intends to claim the exemption for the remainder of the calendar year; or

(ii) At the time the beneficiary files a notice of default under ORS 86.752 or brings suit under ORS 88.010.

(B) An exemption under subparagraph (A) of this paragraph expires at the end of the calendar year in which the beneficiary claims the exemption.

(c) Except as provided in subsection (5) of this section, a beneficiary that claims an exemption under this subsection is not exempt from the requirements set forth in ORS 86.748.

(2) The beneficiary shall request a resolution conference through the service provider. The beneficiary shall submit the request to the service provider electronically, by facsimile or by mail and shall submit a processing fee in an amount and in a manner that the Attorney General specifies by rule. The service provider shall pay to the Attorney General, for deposit into the Foreclosure Avoidance Fund established under ORS 86.744, moneys the service provider receives from the beneficiary under this subsection. The beneficiary's request under this subsection must identify the residential trust deed that the beneficiary intends to foreclose and list the name, title, address, telephone number and other available contact information for:

(a) The beneficiary;

(b) Any agent of the beneficiary that will attend the resolution conference;

(c) Any person other than a person identified in paragraph (a) or (b) of this subsection that will receive, on the beneficiary's behalf, notices or other communications related to the resolution conference; and

(d) The grantor.

(3)(a) If a beneficiary does not request a resolution conference under subsection (1) of this section, a grantor may request a resolution conference with the beneficiary if:

(A) The beneficiary or the trustee has not filed a notice of default under ORS 86.752 or the beneficiary has not commenced a suit under ORS 88.010; and

(B) The grantor first obtains from a housing counselor a certification in writing that the grantor is more than 30 days in default on the obligation that the residential trust deed secures or, if the grantor is not in default, that the grantor has a financial hardship that the housing counselor believes may qualify the grantor for a foreclosure avoidance measure.

(b) A grantor shall request a resolution conference through the service provider. The grantor shall submit the request to the service provider electronically, by facsimile or by mail and shall enclose with the request the written certification the housing counselor provides under paragraph (a)(B) of this subsection. The Attorney General by rule shall specify the information that the request must include.

(c) A beneficiary that receives a notice from a service provider after the service

provider receives a request from a grantor under paragraph (b) of this subsection is subject to the requirements set forth in this section and ORS 86.729, 86.732, 86.736 and 86.748.

(d) This subsection does not apply to a beneficiary that has submitted an affidavit and is exempt under subsection (1)(b) of this section.

(4) A beneficiary that submitted an affidavit in accordance with subsection (1)(b) of this section may, without waiving the exemption the beneficiary claimed in the affidavit, request a resolution conference with a grantor. The beneficiary shall submit a request under this subsection in accordance with the requirements set forth in subsection (2) of this section, except that submitting the request does not require a processing fee.

(5) The requirement to request or participate in a resolution conference with a grantor in accordance with subsection (2) or (3) of this section does not apply to the Department of Veterans' Affairs in its capacity as a beneficiary of loans made under ORS 407.125. [2013 c.304 §2; 2015 c.382 §1]

86.729 Scheduling and notice for resolution conference; information required; fees; postponement, rescheduling and cancellation; liability of facilitator. (1)(a) Within 10 days after a service provider receives a request for a resolution conference under ORS 86.726, the service provider shall schedule the resolution conference and mail a notice to the beneficiary and to the grantor. The service provider shall schedule the resolution conference to occur within 75 days after the date on which the service provider sends the notice.

(b) A notice under this subsection must:

(A) Specify a range of dates within which and a location at which the resolution conference will occur;

(B) State that the beneficiary and the grantor each must pay the facilitator's fees for the resolution conference;

(C) List and describe the documents that the beneficiary and the grantor must submit to the service provider;

(D) State that the grantor must consult a housing counselor before attending the resolution conference unless the grantor notifies the service provider that the grantor could not obtain an appointment with a housing counselor before the date of the resolution conference;

(E) State that the grantor may have an attorney or housing counselor present to represent the grantor at the resolution conference, and that the attorney or housing counselor must attend the resolution confer-

ence in person unless there are compelling circumstances that prevent attendance in person; and

(F) Include any other information the Attorney General requires by rule.

(2) Within 25 days after the date on which the service provider sends a notice under subsection (1) of this section:

(a) The grantor shall pay a fee to the service provider in an amount and in a manner that the Attorney General specifies by rule. The grantor's fee may not exceed \$200. Within five days after receiving the fee from the grantor, the service provider shall send a written notice to the grantor and the beneficiary that specifies the date, time and location of the resolution conference.

(b) The service provider shall pay to the Attorney General, for deposit into the Foreclosure Avoidance Fund established under ORS 86.744, moneys the service provider receives from the grantor under paragraph (a) of this subsection.

(c) The grantor shall submit to the service provider:

(A) Information about the grantor's income, expenses, debts and other obligations;

(B) A description of the grantor's financial hardship, if any;

(C) Documents that verify the grantor's income; and

(D) Any other information the Attorney General requires by rule.

(3) The grantor shall consult a housing counselor before attending the resolution conference unless the grantor cannot obtain an appointment with a housing counselor before the date of the resolution conference.

(4) Within 25 days after the service provider makes the information the grantor submitted under subsection (2) of this section available to the beneficiary, the beneficiary shall:

(a) Pay a fee to the service provider in an amount that is not more than \$600 and in a manner that the Attorney General specifies by rule. The service provider shall pay to the Attorney General, for deposit into the Foreclosure Avoidance Fund established under ORS 86.744, moneys the service provider receives from the beneficiary under this paragraph.

(b) Submit to the service provider:

(A) Copies of:

(i) The residential trust deed; and

(ii) The promissory note that is evidence of the obligation that the residential trust deed secures and that the beneficiary or beneficiary's agent certifies is a true copy;

(B) The name and address of the person that owns the obligation that is secured by the residential trust deed;

(C) A record of the grantor's payment history for the longer of the preceding 12 months or since the beneficiary last deemed the grantor current on the obligation;

(D) An itemized statement that shows:

(i) The amount the grantor owes on the obligation, itemized to reflect the principal, interest, fees, charges and any other amounts included within the obligation; and

(ii) The amount the grantor must pay to cure the grantor's default;

(E) A document that identifies:

(i) The input values for each net present value model that the beneficiary or the beneficiary's agent uses; and

(ii) The output values that each net present value model produces;

(F) The appraisal or price opinion the beneficiary relied on most recently to determine the value of the property that is the subject of the residential trust deed;

(G) The portion of any pooling agreement, servicing agreement or other agreement that the beneficiary cites as a limitation or prohibition on modifying the terms of the obligation, together with a statement that describes the extent to which the beneficiary sought to have the limitation or prohibition waived;

(H) A description of any additional documents the beneficiary requires to evaluate the grantor's eligibility for a foreclosure avoidance measure; and

(I) Any other information the Attorney General requires by rule.

(5)(a) The service provider may postpone or reschedule a resolution conference that the service provider scheduled under subsection (1) of this section if:

(A) The beneficiary and the grantor agree to a new date;

(B) The beneficiary or the grantor requests a new date in writing that is not more than 30 days after the original date scheduled for the resolution conference and can show good cause for the request; or

(C) The beneficiary does not pay the fee required under subsection (4)(a) of this section by the date the fee is due. The service provider may wait until the beneficiary has paid the fee before rescheduling the resolution conference.

(b) The service provider shall cancel a resolution conference that the service provider scheduled under subsection (1) of this section if the grantor does not pay the fee

required under subsection (2)(a) of this section by the date the fee is due.

(6)(a) A resolution conference conducted in accordance with this section and ORS 86.726, 86.732 and 86.736 is not subject to ORS chapter 36 and does not preclude mediation that a court or another provision of law requires.

(b) A facilitator is not subject to a subpoena and cannot be compelled to testify in any proceeding that is related to a resolution conference, other than a proceeding against a facilitator for an act or omission for which the facilitator may be liable under paragraph (c) of this subsection.

(c) A facilitator is not civilly liable for any act or omission done or made while engaged in efforts to assist or facilitate a resolution conference unless the facilitator acted or made an omission in bad faith, with malicious intent or in a manner that exhibited a willful or wanton disregard of the rights, safety or property of another person.

(d) The limitations on liability provided by this subsection apply to the officers, directors, employees and agents of the service provider and any dispute resolution program engaged in facilitating resolution conferences.

(e) Information that a beneficiary or grantor submits under this section is not subject to ORS 192.410 to 192.505. [2013 c.304 §3]

86.730 [1959 c.625 §§17,22; repealed by 1961 c.616 §8]

86.732 Attendance at resolution conference; authority of beneficiary's agent; representation of grantor; terms of foreclosure avoidance measure; report. (1)(a) Except as provided in paragraph (b) of this subsection, a beneficiary that must request a resolution conference with a grantor under ORS 86.726 shall attend and participate in the resolution conference in person.

(b)(A) A beneficiary may send an agent to the resolution conference if the agent attends the resolution conference in person and has complete authority to negotiate on the beneficiary's behalf and commit the beneficiary to a foreclosure avoidance measure or, if the agent who attends the resolution conference in person does not have complete authority, the beneficiary also requires the participation, by remote communication, of a person who does have complete authority to negotiate on the beneficiary's behalf and commit the beneficiary to a foreclosure avoidance measure.

(B) A grantor may have an attorney or a housing counselor, or both, present to represent the grantor at the resolution conference, but the grantor, or any individual that a court appoints to act on the grantor's be-

half, must attend the resolution conference in person unless there are compelling circumstances that prevent attendance in person.

(2) If the beneficiary agrees to a foreclosure avoidance measure with the grantor, the beneficiary and the grantor shall sign a written document that sets forth the terms of the foreclosure avoidance measure.

(3) A facilitator may suspend or postpone a resolution conference after the resolution conference has begun:

(a) One time only on the facilitator's initiative or in response to a request for a suspension or postponement from the beneficiary or the grantor;

(b) After a suspension or postponement under paragraph (a) of this subsection only if the beneficiary and the grantor agree to the additional suspension or postponement; or

(c) If the beneficiary or the grantor needs additional time to write or sign a document that sets forth the terms of a foreclosure avoidance measure.

(4) After the resolution conference concludes, the facilitator shall submit to the service provider a written report that:

(a) Lists the date or dates on which the resolution conference occurred;

(b) Lists the name, title, address, telephone number and other available contact information for each person that participated in the resolution conference, noting whether the person attended the resolution conference in person or participated by remote communication;

(c) States whether the beneficiary or the agent of the beneficiary who attended the resolution conference had complete authority to negotiate and commit to a foreclosure avoidance measure;

(d) Summarizes the terms of the foreclosure avoidance measure to which the beneficiary and the grantor agreed or notes that the beneficiary and the grantor did not agree to a foreclosure avoidance measure; and

(e) Provides any other information the Attorney General requires by rule. [2013 c.304 §4]

86.735 [1959 c.625 §§4,5; 1965 c.457 §2; 1983 c.719 §3; 1985 c.817 §2; 1989 c.190 §2; 2012 c.112 §6; 2013 c.304 §10; 2013 c.625 §4; renumbered 86.752 in 2013]

86.736 Certificate of compliance; expiration. (1)(a) The service provider shall issue, within five days after receiving a report from a facilitator under ORS 86.732 (4), a certificate of compliance to a beneficiary that:

(A) Complied with ORS 86.726, 86.729 and 86.732;

(B) Submitted the materials required under ORS 86.729 (4) to the service provider;

(C) Appeared in person at, or sent an agent in person to, the resolution conference with complete authority to negotiate on the beneficiary's behalf and commit the beneficiary to a foreclosure avoidance measure or, if the beneficiary or agent did not have complete authority, required the participation by remote communication of a person with complete authority to negotiate on the beneficiary's behalf and commit the beneficiary to a foreclosure avoidance measure; and

(D) Signed a document that sets forth the terms of any foreclosure avoidance measure to which the beneficiary and the grantor agreed.

(b) A certificate of compliance expires one year after the date on which the service provider issues the certificate of compliance under paragraph (a) of this subsection.

(c) The service provider shall notify a beneficiary that failed to meet a requirement to which the beneficiary was subject under ORS 86.726, 86.729 or 86.732 that the service provider will not issue a certificate of compliance, explaining in the notice why the service provider will not issue the certificate of compliance. The service provider shall provide a copy of the notice under this paragraph to the grantor and to the Attorney General.

(2) Notwithstanding the requirements set forth in subsection (1) of this section, if a service provider cancels a resolution conference under ORS 86.729 (5)(b), the service provider shall issue a certificate of compliance to the beneficiary within five days after canceling the resolution conference. [2013 c.304 §5]

86.737 [2008 c.19 §20; 2009 c.864 §§1,4; renumbered 86.756 in 2013]

86.739 [2008 c.19 §21; 2009 c.229 §3; renumbered 86.761 in 2013]

86.740 [1959 c.625 §6; 1961 c.616 §3; 1965 c.457 §3; 1973 c.823 §95; 1979 c.879 §2; 1983 c.719 §4; 1989 c.190 §3; 2005 c.129 §1; 2011 c.212 §22; 2012 c.112 §7; 2013 c.304 §11; renumbered 86.764 in 2013]

86.741 Attorney General duties and powers; payments; rules. (1) The Attorney General shall:

(a) Appoint and enter into an agreement with a service provider to coordinate and manage a program to implement the provisions of ORS 86.726, 86.729, 86.732 and 86.736.

(b) Enter into an agreement for information technology goods or services.

(c) Receive affidavits submitted under ORS 86.726 (1)(b) and copies of notices sent under ORS 86.748 (1).

(d) Specify the amount a beneficiary must pay to the service provider under ORS 86.726 (2) and 86.729 (4)(a) and the amount that the grantor must pay to the service provider under ORS 86.729 (2)(a).

(e) Prescribe qualifications, training and experience requirements for facilitators that conduct or assist resolution conferences.

(f) Specify procedures and guidelines for conducting a resolution conference.

(g) Adopt additional rules to implement ORS 86.726, 86.729, 86.732, 86.736, 86.744 and 86.748.

(2) The Attorney General shall pay for the service provider's services and for information technology goods and services from the Foreclosure Avoidance Fund established under ORS 86.744. The Attorney General is not subject to ORS chapter 279A, 279B or 279C in appointing a service provider or entering into an agreement under subsection (1)(a) or (b) of this section.

(3) In addition to and not in lieu of any other penalty provided by law, violation of ORS 86.726 (1)(a) or (2), 86.729 (4) or 86.732 (1) or (2) by a beneficiary is an unlawful practice under ORS 646.607 that is subject to enforcement under ORS 646.632. [2013 c.304 §6]

86.742 [1985 c.817 §9; 1995 c.618 §51; 2012 c.112 §8; renumbered 86.767 in 2013]

86.744 Foreclosure Avoidance Fund.

(1) The Foreclosure Avoidance Fund is established in the State Treasury, separate and distinct from the General Fund. The Foreclosure Avoidance Fund consists of moneys the Attorney General collects or receives for the purpose of paying the expenses of coordinating a program to implement the provisions of ORS 86.726, 86.729, 86.732 and 86.736 and to pay related expenses. The moneys in the fund are continuously appropriated to the Attorney General for the purposes of paying the expenses of coordinating a program to implement ORS 86.726, 86.729, 86.732 and 86.736 and paying related expenses.

(2) The Attorney General may receive moneys for the purposes set forth in subsection (1) of this section from any public or private source. [2012 c.112 §4; 2013 c.304 §8]

86.745 [1959 c.625 §7; 1961 c.616 §4; 1965 c.457 §4; 1983 c.719 §5; 1985 c.817 §3; 2003 c.251 §4; 2009 c.510 §2; 2010 c.28 §§1,2; 2011 c.510 §§1,6; renumbered 86.771 in 2013]

86.748 Determination of ineligibility for foreclosure avoidance measure; notice; recording; penalty. (1)(a) Whether or not a beneficiary participates in a resolution conference under ORS 86.726, if the beneficiary determines that a grantor of a residential trust deed is not eligible for a foreclosure

avoidance measure or that the grantor has not complied with the terms of a foreclosure avoidance measure to which the grantor has agreed, the beneficiary shall mail a written notice to the grantor within 10 days after making the determination. The beneficiary shall mail a copy of the notice to the Department of Justice on the same date that the beneficiary mails the notice to the grantor.

(b) The notice described in paragraph (a) of this subsection must in plain language explain the basis for the beneficiary's determination. The notice and any information in the notice are not subject to disclosure under ORS 192.410 to 192.505.

(c) This subsection does not impose an affirmative duty on the beneficiary to determine if a grantor is eligible for a foreclosure avoidance measure.

(2) At least five days before the trustee sells the property that is subject to foreclosure, the beneficiary shall record in the mortgage records in the county or in one of the counties in which the property is located an affidavit that states that the beneficiary has complied with the requirements set forth in subsection (1) of this section.

(3)(a) A beneficiary that fails to substantially comply with subsection (1)(b) of this section, or otherwise fails to comply with subsection (1)(a) or (2) of this section, is liable to the grantor in the amount of \$500 plus the amount of the grantor's actual damages for each failure.

(b) A grantor may bring an action against a beneficiary in a circuit court of this state to recover the amounts described in paragraph (a) of this subsection. The grantor shall commence the action within one year after the date on which the beneficiary should have complied, but did not comply, with the provisions of this section.

(c) Notwithstanding an agreement to the contrary, a court may award reasonable attorney fees, costs and disbursements to a grantor that obtains a final judgment in the grantor's favor. [2012 c.112 §4a; 2013 c.304 §9]

86.750 [1959 c.625 §8; 1961 c.616 §5; 1965 c.457 §5; 1979 c.879 §3; 1983 c.719 §6; 1985 c.817 §4; 2007 c.165 §1; 2009 c.229 §1; 2009 c.864 §§5,6; 2010 c.28 §§3,4; 2010 c.40 §§2,3; renumbered 86.774 in 2013]

86.752 Foreclosure by advertisement and sale. A trustee may not foreclose a trust deed by advertisement and sale in the manner provided in ORS 86.764 to 86.782 unless:

(1) The trust deed, any assignments of the trust deed by the trustee or the beneficiary and any appointment of a successor trustee are recorded in the mortgage records in the counties in which the property described in the deed is situated;

(2) There is a default by the grantor or other person that owes an obligation, the performance of which is secured by the trust deed, or by the grantor's or other person's successors in interest with respect to a provision in the deed that authorizes sale in the event of default of the provision;

(3) The trustee or beneficiary has filed for record in the county clerk's office in each county where the trust property, or some part of the trust property, is situated, a notice of default containing the information required by ORS 86.771 and containing the trustee's or beneficiary's election to sell the property to satisfy the obligation;

(4) The beneficiary has filed for recording in the official records of the county or counties in which the property that is subject to the residential trust deed is located:

(a) A certificate of compliance that a service provider issued to the beneficiary under ORS 86.736 that is valid and unexpired at the time the notice of default is recorded; or

(b) A copy of the affidavit with which the beneficiary claimed, under ORS 86.726 (1)(b), an exemption that has not expired;

(5) The beneficiary has complied with the provisions of ORS 86.748;

(6) The grantor has not complied with the terms of any foreclosure avoidance measure upon which the beneficiary and the grantor have agreed; and

(7) An action has not been commenced to recover the debt or any part of the debt then remaining secured by the trust deed, or, if an action has been commenced, the action has been dismissed, except that:

(a) Subject to ORS 86.010 and the procedural requirements of ORCP 79 and 80, an action may be commenced to appoint a receiver or to obtain a temporary restraining order during foreclosure of a trust deed by advertisement and sale, except that a receiver may not be appointed with respect to a single-family residence that the grantor, the grantor's spouse or the grantor's minor or dependent child occupies as a principal residence.

(b) An action may be commenced to foreclose, judicially or nonjudicially, the same trust deed as to any other property covered by the trust deed, or any other trust deeds, mortgages, security agreements or other consensual or nonconsensual security interests or liens that secure repayment of the debt. [Formerly 86.735]

86.753 [1983 c.719 §11; 1985 c.817 §5; 1989 c.190 §4; 1999 c.561 §1; renumbered 86.778 in 2013]

86.755 [1959 c.625 §9; 1965 c.457 §6; 1983 c.719 §7; 1985 c.817 §6; 1989 c.190 §5; 1989 c.506 §1; 2009 c.883 §§1,1a; 2011 c.42 §10; 2011 c.510 §§2,7; 2011 c.712 §2; 2012

c.112 §§9,10; 2013 c.76 §§1,2; 2013 c.465 §§1,2; renumbered 86.782 in 2013]

86.756 Notice to grantor; requirements; additional forms; rules. (1) If a notice of default is recorded for property that is subject to a residential trust deed, the sender of a notice of sale under ORS 86.764 shall, on or before the date the notice of sale is served or mailed, give notice under this section to the grantor by both first class and certified mail with return receipt requested. Subject to any rules adopted under subsection (2) of this section, the notice must be in substantially the following form and printed in at least 14-point type:

NOTICE:

YOU ARE IN DANGER OF LOSING
YOUR PROPERTY IF YOU DO NOT
TAKE ACTION IMMEDIATELY

This notice is about your mortgage loan on your property at _____ (address).

Your lender has decided to sell this property because the money due on your mortgage loan has not been paid on time or because you have failed to fulfill some other obligation to your lender. This is sometimes called "foreclosure."

The amount you would have had to pay as of _____ (date) to bring your mortgage loan current was \$_____. The amount you must now pay to bring your loan current may have increased since that date.

By law, your lender has to provide you with details about the amount you owe, if you ask. You may call _____ (telephone number) to find out the exact amount you must pay to bring your mortgage loan current and to get other details about the amount you owe. You may also get these details by sending a request by certified mail to: _____.

THIS IS WHEN AND WHERE
YOUR PROPERTY WILL BE SOLD
IF YOU DO NOT TAKE ACTION:

Date and time: _____, 2_____ at _____

Place: _____

THIS IS WHAT YOU CAN DO
TO STOP THE SALE:

1. You can pay the amount past due or correct any other default, up to five days before the sale.
2. You can refinance or otherwise pay off the loan in full anytime before the sale.

3. You can call _____ (name) at _____ (telephone number) to find out if your lender is willing to give you more time or change the terms of your loan.

4. You can sell your home, provided the sale price is enough to pay what you owe.

There are government agencies and nonprofit organizations that can give you information about foreclosure and help you decide what to do. For the name and telephone number of an organization near you, please call the statewide telephone contact number at _____. You may also wish to talk to a lawyer. If you need help finding a lawyer, you may call the Oregon State Bar's Lawyer Referral Service at _____ or toll-free in Oregon at _____ or you may visit its website at: _____. Legal assistance may be available if you have a low income and meet federal poverty guidelines. For more information and a directory of legal aid programs, go to _____.

WARNING: You may get offers from people who tell you they can help you keep your property. You should be careful about those offers. Make sure you understand any papers you are asked to sign. If you have any questions, talk to a lawyer or one of the organizations mentioned above before signing.

DATED: _____, 2_____

Trustee name: _____ (print)

Trustee signature: _____

Trustee telephone number: _____

(2) The Department of Consumer and Business Services may adopt rules prescribing the format, font size and other physical characteristics of the notice form set forth in subsection (1) of this section. The department shall adopt rules specifying the resource telephone contact numbers and website addresses the sender is to insert in completing the notice.

(3) When filling blanks in the notice form set forth in subsection (1) of this section, the sender of the notice shall include, stated in plain language:

(a) The amount of payment that was needed to bring the mortgage loan current as of the date stated in the notice; and

(b) One or more telephone numbers consisting of:

(A) A telephone number that will allow the grantor access during regular business hours to details regarding the grantor's loan delinquency and repayment information; and

(B) A telephone number that will allow the grantor access during regular business

hours to person-to-person consultation with an individual authorized by the beneficiary to discuss the grantor's payment and loan term negotiation and modification options.

(4) Telephone numbers described in subsection (3) of this section must be toll-free numbers unless the beneficiary:

(a) Made the loan with the beneficiary's own money;

(b) Made the loan for the beneficiary's own investment; and

(c) Is not in the business of making loans secured by an interest in real estate.

(5) If the sender giving notice under subsection (1) of this section has actual knowledge that the grantor is not the occupant of the residential real property, the sender shall also give notice to the occupant of the property by both first class and certified mail with return receipt requested. [Formerly 86.737]

86.757 [2003 c.251 §2; renumbered 86.786 in 2013]

86.759 [2003 c.251 §3; renumbered 86.789 in 2013]

86.760 [1959 c.625 §10; 1961 c.616 §6; 1965 c.457 §7; 1979 c.879 §4; repealed by 1983 c.719 §13]

86.761 Failure to give notice to grantor; remedy. (1) A grantor shall have the same rights possessed by the holder of a junior lien or interest who was omitted as a party defendant in a judicial foreclosure proceeding if:

(a) The notice required by ORS 86.756 is not sent to the grantor;

(b) The grantor does not actually receive a copy of the notice at least 25 days before the date on which the trustee conducts the sale; and

(c) The grantor informs the trustee, the purchaser, the beneficiary or any loan servicer in writing not later than 60 days after the purchaser takes possession of the property upon which a trust deed was foreclosed that the grantor did not receive the notice and did not have actual notice of the sale.

(2) The purchaser at the trustee's sale, or the purchaser's heirs, assigns or transferees, shall have the same rights possessed by a purchaser at a sheriff's sale following a judicial foreclosure. [Formerly 86.739]

86.764 Notice of sale for certain persons. (1) After recording a notice of default as provided in ORS 86.752 and at least 120 days before the day the trustee conducts the sale, notice of the sale with the contents described in ORS 86.771 must be served pursuant to ORCP 7 D(2) and 7 D(3) or mailed by both first class and certified mail with return receipt requested.

(2) The notice described in subsection (1) of this section must be served or mailed to

the last-known address of the following persons or the legal representatives of the persons, if any:

(a) The grantor in the trust deed.

(b) Any successor in interest to the grantor whose interest appears of record, or of whose interest the trustee or the beneficiary has actual notice.

(c) Any person, including the Department of Revenue or another state agency, that has a lien or interest subsequent to the trust deed if the lien or interest appears of record or the beneficiary has actual notice of the lien or interest.

(d) A person that requests notice as provided in ORS 86.806.

(3) A notice served by mail under subsection (1) of this section is effective when the notice is mailed.

(4)(a) The disability, insanity or death of a person to whom the notice required under this section must be given does not delay or impair in any way the trustee's right under a trust deed to foreclose under the deed. If the disability, insanity or death occurs before the notice of default is recorded, the notice required under this section must be given instead to the guardian, the conservator of the estate of the person or the administrator or personal representative of the person in the manner and by the time set forth in this section.

(b) If the disability, insanity or death of a person to whom the notice required under this section must be given occurs on or after the notice of default is recorded, the trustee shall, if and when the trustee has knowledge of the disability, insanity or death, promptly give the guardian, the conservator of the estate or the administrator or personal representative the required notice by sending the notice by first class and certified mail with return receipt requested to the last-known address of the guardian, conservator or administrator or personal representative.

(c) If there is no administrator or personal representative of the estate of the person to whom the notice required under this section must be given, the notice may be given instead to the heirs at law or devisees of the deceased person in the manner and by the time set forth in this section.

(5) If the owner of real property subject to foreclosure dies and the real property is also subject to a transfer on death deed, as provided by ORS 93.948 to 93.979, the notice required under this section must be given to the beneficiary designated under the transfer on death deed. [Formerly 86.740]

86.765 [1959 c.625 §11; 1965 c.457 §8; renumbered 86.794 in 2013]

86.767 Failure to give notice of sale; action by omitted person; defense; pleading and proving knowledge of sale; attorney fees; exclusive remedy. (1) If the trustee fails to give notice of the sale to a person entitled to notice under ORS 86.764 (2)(c), and the person did not have actual notice of the sale at least 25 days before the date on which the trustee conducted the sale, the omitted person has the same rights that the holder of a junior lien or interest who was omitted as a party defendant in a judicial foreclosure proceeding possesses, and the purchaser at the trustee's sale or the purchaser's heirs, assigns or transferees, have the same rights that a purchaser at a sheriff's sale following a judicial foreclosure possesses.

(2) The omitted person may also commence an action against the trustee in the circuit court in the county where the real property is located. In an action against the trustee, the omitted person is entitled to damages if the omitted person proves that:

(a) The trustee did not give notice of the sale to the omitted person in the manner required by ORS 86.764 (2)(c) and 86.774;

(b) A search of the record under the name of the grantor as the grantor's name appears on the trust deed, or as the name of the grantor's successor in interest appears, would have revealed the omitted person's interest;

(c) The omitted person could and would have cured the default under ORS 86.778; and

(d) The omitted person sustained actual damages as a result of the person's loss of the opportunity to cure the default under ORS 86.778 (1).

(3) In an action against the trustee under subsection (2) of this section, a defendant or third party defendant may move for dismissal on the ground that the omitted person would not or could not have cured the default and reinstated the trust deed if the omitted person had received the notice required by ORS 86.764 (2)(c). The court shall hold a hearing on the motion before a hearing on a motion for summary judgment, and before trying the action. The court shall deny the motion only if the omitted person produces affidavits or other evidence sufficient for a reasonable jury to find, applying a standard of clear and convincing evidence, that the omitted person had the financial ability to cure the default under ORS 86.778 before the date of the trustee's sale, and that the omitted person would have done so had the omitted person received the notice required by ORS 86.764 (2)(c). If the court grants the motion to dismiss, the court shall award attorney fees under subsection (5) of this section.

(4) In an action against the trustee or another party under this section the omitted person shall plead that the omitted person did not have actual knowledge of the sale at least 25 days prior to the date the trustee conducted the sale, but thereafter the defendant has the burden of proving that the omitted person did have notice.

(5) In an action brought under this section, the applicable court may, upon entering judgment, allow to the prevailing party as a part of the costs a reasonable amount for attorney fees at trial and on appeal.

(6) The remedies described in subsections (1) to (5) of this section are the sole remedies available to a person entitled to notice of foreclosure by advertisement and sale under ORS 86.764 (2)(c), who failed to receive notice. The person's failure to redeem or to commence an action against the trustee within five years of the date of a trustee's sale under ORS 86.782 bars any action under this section or any other applicable law. [Formerly 86.742]

86.770 [1959 c.625 §§12,13; 1965 c.457 §9; 1981 c.811 §1; 1983 c.719 §8; 1985 c.817 §7; 1989 c.190 §6; 1997 c.786 §1; 2007 c.166 §16; 2009 c.883 §2; 2010 c.48 §1; renumbered 86.797 in 2013]

86.771 Contents of notice of sale; additional notices; contents and requirements. The notice of sale must:

(1) List the names of the grantor, trustee and beneficiary in the trust deed, and the mailing address of the trustee.

(2) Describe the property the trust deed covers.

(3) Identify the book and page of the mortgage records that record the trust deed.

(4) State the default for which the foreclosure is made.

(5) State the sum owing on the obligation that the trust deed secures.

(6) State that the property will be sold to satisfy the obligation.

(7) Set forth the date, time and place of the sale.

(8) State that the right exists under ORS 86.778 to have the proceeding dismissed and the trust deed reinstated by paying the entire amount then due, together with costs, trustee's fees and attorney fees, and by curing any other default complained of in the notice of default, at any time that is not later than five days before the date last set for the sale.

(9) Include language that reads substantially as follows:

Without limiting the trustee's disclaimer of representations or warranties, Oregon law

requires the trustee to state in this notice that some residential property sold at a trustee's sale may have been used in manufacturing methamphetamines, the chemical components of which are known to be toxic. Prospective purchasers of residential property should be aware of this potential danger before deciding to place a bid for this property at the trustee's sale.

(10) If the property includes one or more dwelling units that are subject to ORS chapter 90, include a notice addressed clearly to any individual who occupies the property and who is or might be a residential tenant. The notice required under this subsection must:

(a) Include contact information for the Oregon State Bar and a person or organization that provides legal help to individuals at no charge to the individual;

(b) Include information concerning the right the individual has to notice under ORS 86.782 (6)(c);

(c) Be set apart from other text in the notice of sale; and

(d) Be in substantially the following form:

NOTICE TO RESIDENTIAL TENANTS

The property in which you are living is in foreclosure. A foreclosure sale is scheduled for _____ (date). The date of this sale may be postponed. Unless the lender that is foreclosing on this property is paid before the sale date, the foreclosure will go through and someone new will own this property. After the sale, the new owner is required to provide you with contact information and notice that the sale took place.

The following information applies to you only if you are a bona fide tenant occupying and renting this property as a residential dwelling under a legitimate rental agreement. The information does not apply to you if you own this property or if you are not a bona fide residential tenant.

If the foreclosure sale goes through, the new owner will have the right to require you to move out. Before the new owner can require you to move, the new owner must provide you with written notice that specifies the date by which you must move out. If you do not leave before the move-out date, the new owner can have the sheriff remove you from the property after a court hearing. You will receive notice of the court hearing.

PROTECTION FROM EVICTION

IF YOU ARE A BONA FIDE TENANT OCCUPYING AND RENTING THIS PROPERTY AS A RESIDENTIAL DWELLING,

YOU HAVE THE RIGHT TO CONTINUE LIVING IN THIS PROPERTY AFTER THE FORECLOSURE SALE FOR:

- 60 DAYS FROM THE DATE YOU ARE GIVEN A WRITTEN TERMINATION NOTICE, IF YOU HAVE A FIXED TERM LEASE; OR
- AT LEAST 30 DAYS FROM THE DATE YOU ARE GIVEN A WRITTEN TERMINATION NOTICE, IF YOU HAVE A MONTH-TO-MONTH OR WEEK-TO-WEEK RENTAL AGREEMENT.

If the new owner wants to move in and use this property as a primary residence, the new owner can give you written notice and require you to move out after 30 days, even though you have a fixed term lease with more than 30 days left.

You must be provided with at least 30 days' written notice after the foreclosure sale before you can be required to move.

A bona fide tenant is a residential tenant who is not the borrower (property owner) or a child, spouse or parent of the borrower, and whose rental agreement:

- Is the result of an arm's-length transaction;
- Requires the payment of rent that is not substantially less than fair market rent for the property, unless the rent is reduced or subsidized due to a federal, state or local subsidy; and
- Was entered into prior to the date of the foreclosure sale.

ABOUT YOUR TENANCY BETWEEN NOW AND THE FORECLOSURE SALE: RENT

YOU SHOULD CONTINUE TO PAY RENT TO YOUR LANDLORD UNTIL THE PROPERTY IS SOLD OR UNTIL A COURT TELLS YOU OTHERWISE. IF YOU DO NOT PAY RENT, YOU CAN BE EVICTED. BE SURE TO KEEP PROOF OF ANY PAYMENTS YOU MAKE.

SECURITY DEPOSIT

You may apply your security deposit and any rent you paid in advance against the current rent you owe your landlord as provided in ORS 90.367. To do this, you must notify your landlord in writing that you want to subtract the amount of your security deposit or prepaid rent from your rent payment. You may do this only for the rent you owe your current landlord. If you do this, you must do so before the foreclosure sale. The business or individual who buys this property at the foreclosure sale is not responsible to you for any deposit or prepaid rent you paid to your landlord.

ABOUT YOUR TENANCY AFTER THE FORECLOSURE SALE

The new owner that buys this property at the foreclosure sale may be willing to allow you to stay as a tenant instead of requiring you to move out after 30 or 60 days. After the sale, you should receive a written notice informing you that the sale took place and giving you the new owner's name and contact information. You should contact the new owner if you would like to stay. If the new owner accepts rent from you, signs a new residential rental agreement with you or does not notify you in writing within 30 days after the date of the foreclosure sale that you must move out, the new owner becomes your new landlord and must maintain the property. Otherwise:

- You do not owe rent;
- The new owner is not your landlord and is not responsible for maintaining the property on your behalf; and
- You must move out by the date the new owner specifies in a notice to you.

The new owner may offer to pay your moving expenses and any other costs or amounts you and the new owner agree on in exchange for your agreement to leave the premises in less than 30 or 60 days. You should speak with a lawyer to fully understand your rights before making any decisions regarding your tenancy.

IT IS UNLAWFUL FOR ANY PERSON TO TRY TO FORCE YOU TO LEAVE YOUR DWELLING UNIT WITHOUT FIRST GIVING YOU WRITTEN NOTICE AND GOING TO COURT TO EVICT YOU. FOR MORE INFORMATION ABOUT YOUR RIGHTS, YOU SHOULD CONSULT A LAWYER. If you believe you need legal assistance, contact the Oregon State Bar and ask for the lawyer referral service. Contact information for the Oregon State Bar is included with this notice. If you do not have enough money to pay a lawyer and are otherwise eligible, you may be able to receive legal assistance for free. Information about whom to contact for free legal assistance is included with this notice.

[Formerly 86.745; 2014 c.36 §§1,2]

86.774 Service and publication of notice; recording proof of compliance. (1)(a) Except as provided in paragraph (b) of this subsection, the notice prescribed in ORS 86.771 must be served upon an occupant of the property described in the trust deed in the manner in which a summons is served pursuant to ORCP 7 D(2) and 7 D(3) at least 120 days before the day the trustee conducts the sale.

(b)(A) If service cannot be effected on an occupant as provided in paragraph (a) of this subsection on the first attempt, the person that attempts to effect service shall post a copy of the notice in a conspicuous place on the property on the date of the first attempt. The person that attempts to effect service shall make a second attempt to effect service on a day that is at least two days after the first attempt.

(B) If service cannot be effected on an occupant as provided in paragraph (a) of this subsection on the second attempt, the person that attempts to effect service shall post a copy of the notice in a conspicuous place on the property on the date of the second attempt. The person that attempts to effect service shall make a third attempt to effect service on a day that is at least two days after the second attempt.

(C) If service cannot be effected on an occupant as provided in paragraph (a) of this subsection on the third attempt, the person that attempts to effect service shall send a copy of the notice, bearing the word "occupant" as the addressee, to the property address by first class mail with postage prepaid.

(c) Service on an occupant is effected on the earlier of the date that notice is served as provided in paragraph (a) of this subsection or the first date on which notice is posted as described in paragraph (b)(A) of this subsection.

(2)(a) Except as provided in paragraph (b) of this subsection, a copy of the notice of sale must be published in a newspaper of general circulation in each of the counties in which the property is situated once a week for four successive weeks. The last publication must be made more than 20 days prior to the date the trustee conducts the sale.

(b) The copy of the notice of sale required to be published under paragraph (a) of this subsection does not need to include the notice to tenants required under ORS 86.771 (10).

(3) At or before the time the trustee conducts the sale, the trustee shall file for recording in the official record of the county or counties in which the property described in the deed is situated the following affidavits with respect to the notice of sale:

- (a) An affidavit of mailing, if any;
- (b) An affidavit of service, if any;
- (c) An affidavit of service attempts and posting, if any; and
- (d) An affidavit of publication.

(4) At or before the time the trustee conducts the sale, the trustee shall file for

recording in the official record of the county or counties in which the property described in the deed is situated an affidavit of mailing with respect to the notice to the grantor required under ORS 86.756. [Formerly 86.750; 2014 c.36 §3]

86.775 [1959 c.625 §14; renumbered 86.800 in 2013]

86.778 Discontinuance of foreclosure proceedings after cure of default. (1) Where a trustee has commenced foreclosure of a trust deed by advertisement and sale, the grantor, the grantor's successor in interest to all or any part of the trust property, any beneficiary under a subordinate trust deed, or any person having a subordinate lien or encumbrance of record on the property, may cure the default or defaults at any time prior to five days before the date last set for the sale. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of cure under the terms of the obligation, other than such portion as would not then be due had no default occurred. Any other default of the trust deed obligation that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, and in addition to paying the sums or tendering the performance necessary to cure the default, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation and trust deed, together with trustee's and attorney fees in the amount of:

(a) A total of \$1,000 for both trustee's fees and attorney fees, or the amount actually charged by the trustee and attorney, whichever is less, if the trust deed is a residential trust deed; or

(b) Reasonable attorney fees and trustee's fees actually charged by the trustee and attorney if the trust deed is not a residential trust deed. Any person entitled to cure the default may, either before or after reinstatement, request any court of competent jurisdiction to determine the reasonableness of the fee demanded or paid as a condition of reinstatement. The court may award attorney fees to the prevailing party. An action to determine reasonable attorney fees or trustee's fees under this section shall not forestall any sale or affect its validity.

(2) After cure of the default under subsection (1) of this section, all proceedings under ORS 86.764 to 86.782 shall be dismissed by the trustee, and the obligation and trust deed shall be reinstated and shall remain in force the same as if no acceleration had occurred. [Formerly 86.753]

86.780 [1959 c.625 §15; 1983 c.719 §12; 1985 c.565 §8; 2009 c.229 §2; renumbered 86.803 in 2013]

86.782 Sale of property; obtaining possession after sale; procedures; notices; requirements for postponing or rescinding sale.

(1)(a) A trustee shall hold a trustee's sale on the date and at the time and place designated in the notice of sale given under ORS 86.764. The designated time of the trustee's sale must be after 9 a.m. and before 4 p.m., based on the standard of time set forth in ORS 187.110, and the designated place of the trustee's sale must be in the county or one of the counties in which the property is situated. Except as provided in paragraph (b) of this subsection, the trustee may sell the property in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash. Any person, including the beneficiary under the trust deed, but excluding the trustee, may bid at the trustee's sale. An attorney for the trustee, or an agent that the trustee or the attorney designates, may conduct the sale and act in the sale as the trustee's auctioneer.

(b) If the trustee sells property upon which a single residential unit that is subject to an affordable housing covenant is situated, the eligible covenant holder may purchase the property from the trustee at the trustee's sale for cash or cash equivalent in an amount that is the lesser of:

(A) The sum of the amounts payable under ORS 86.794 (1) and (2); or

(B) The highest bid received for the property other than a bid from the eligible covenant holder.

(c)(A) Except as provided in subparagraph (B) of this paragraph, if an eligible covenant holder purchases the property in accordance with paragraph (b) of this subsection, the sale forecloses and terminates all other interests in the property as provided in ORS 86.797 (1).

(B) If an interest in the property exists that is prior to the eligible covenant holder's interest, other than the interest set forth in the trust deed that was the subject of the foreclosure proceeding under ORS 86.752, notwithstanding the provisions of ORS 86.797 (1) the sale does not foreclose and terminate the prior interest and the eligible covenant holder's title to the property is subject to the prior interest.

(2)(a) The trustee or the attorney for the trustee, or an agent that the trustee or the attorney designates, may postpone the sale for one or more periods that total not more than 180 days from the original sale date, giving notice of each postponement by public proclamation made at the time and place set for sale. The trustee, the attorney or an

agent that the trustee or the attorney designates may make the proclamation.

(b) If a person postpones the sale date as provided in paragraph (a) of this subsection, the trustee, in the manner provided for the notice of sale under ORS 86.764 (1), shall provide written notice of the new time, date and place for the sale to the grantor and to any person to whom notice of the sale was given under ORS 86.771. The notice must be given at least 15 days before the new sale date. The person may postpone the sale once, for not more than two calendar days, without giving notice as provided in this paragraph. The person may not postpone the sale for more than two calendar days or more than once without giving notice as provided in this paragraph.

(3) The purchaser shall pay at the time of sale the price bid or the price determined in accordance with subsection (1)(b) of this section, and, within 10 days following payment, the trustee shall execute and deliver the trustee's deed to the purchaser.

(4)(a) Within 10 calendar days after the date of the trustee's sale, the trustee may rescind the trustee's sale and void the trustee's deed only if:

(A) The trustee asserts that during the trustee's sale a bona fide error occurred in:

(i) Setting, advertising or otherwise specifying the opening bid amount for the property that is the subject of the trustee's sale;

(ii) Providing a correct legal description of the property that is the subject of the trustee's sale; or

(iii) Complying with a requirement or procedure that is imposed by law;

(B) The grantor and the beneficiary agreed to a foreclosure avoidance measure, as defined in ORS 86.707, that would postpone or discontinue the trustee's sale; or

(C) The beneficiary accepted funds to reinstate the trust deed and obligation in accordance with ORS 86.778, even if the beneficiary did not have a legal duty to do so.

(b) Within 10 calendar days after the date of the trustee's sale that the trustee rescinded under paragraph (a) of this subsection, the trustee shall provide notice of the rescission of the trustee's sale to any person to whom notice of the sale was given. The trustee shall mail or serve notice of the rescission in the manner provided for serving or mailing the notice of sale under ORS 86.764 (1). The notice of rescission must:

(A) Display the date on which the trustee mailed the notice, served the notice or delivered the notice for service; and

(B) State that, and explain why, the trustee rescinded the trustee's sale and voided the trustee's deed.

(c) Not later than three calendar days after the date displayed on the rescission notice described in paragraph (b) of this subsection, the trustee shall refund to the purchaser the amount the purchaser paid for the property that is the subject of the rescission notice.

(d) If the trustee rescinded a trustee's sale and voided a trustee's deed in accordance with this subsection, the trustee, not later than 21 days after the date of the trustee's sale that resulted in the rescission, shall present for recording an affidavit that states that the trustee provided the notice of rescission described in paragraph (b) of this subsection. The affidavit must identify the trust deed that was subject to the rescinded trustee's sale and the voided trustee's deed.

(e) The trustee's deed conveys to the purchaser the interest in the property that the grantor had, or had the power to convey, at the time the grantor executed the trust deed, together with any interest the grantor or the grantor's successors in interest acquire after the execution of the trust deed.

(5)(a) If property purchased at the trustee's sale includes one or more dwelling units that are subject to ORS chapter 90, the purchaser must provide written notice of the change in ownership to the occupants of each unit within 30 days after the date of sale and before or concurrently with service of a written termination notice authorized by subsection (6)(c)(B) of this section.

(b) The notice required by this subsection must:

(A) Explain that the dwelling unit has been sold at a foreclosure sale and that the purchaser at the foreclosure sale is the new owner.

(B) Include the date on which the foreclosure sale took place.

(C) Include the name, contact address and contact telephone number of the purchaser or the purchaser's representative.

(D) Provide information about the rights of bona fide residential tenants as provided in subsections (6)(c) and (e) and (9)(a) of this section.

(E) Include contact information for the Oregon State Bar and a person or organization that provides legal help to individuals at no charge to the individual.

(c) The notice must be served by one or more of the following methods:

(A) Personal delivery to the tenant.

(B) First class mail to the tenant at the dwelling unit.

(C) First class mail to the tenant at the dwelling unit and attachment of a second notice copy. The second notice copy must be attached in a secure manner to the main entrance to the portion of the premises in the possession of the tenant.

(D) If the purchaser does not know the names of the tenants, the notice may be addressed to "occupants."

(d) A notice that contains the information required under paragraph (b)(B) and (C) of this subsection meets the requirements of paragraph (b) of this subsection if the notice is in substantially the following form:

**NOTICE TO RESIDENTIAL TENANTS OF
CHANGE IN OWNERSHIP**

The property in which you are living has gone through foreclosure and was sold to a new owner on _____ (date). The contact information for the new owner or the owner's representative is _____ (name, address, telephone number).

IF YOU ARE A BONA FIDE TENANT RENTING THIS PROPERTY AS A RESIDENTIAL DWELLING, YOU HAVE THE RIGHT TO CONTINUE LIVING IN THIS PROPERTY AFTER THE FORECLOSURE SALE FOR:

- 60 DAYS FROM THE DATE YOU ARE GIVEN A WRITTEN TERMINATION NOTICE, IF YOU HAVE A FIXED TERM LEASE; OR
- AT LEAST 30 DAYS FROM THE DATE YOU ARE GIVEN A WRITTEN TERMINATION NOTICE, IF YOU HAVE A MONTH-TO-MONTH OR WEEK-TO-WEEK RENTAL AGREEMENT.

If the new owner wants to move in and use this property as a primary residence, the new owner can give you written notice and require you to move out after 30 days, even though you have a fixed term lease with more than 30 days left.

You must be provided with at least 30 days' written notice after the foreclosure sale before you can be required to move.

A bona fide tenant is a residential tenant who is not the borrower (property owner), or a child, spouse or parent of the borrower, and whose rental agreement:

- Is the result of an arm's-length transaction;
- Requires the payment of rent that is not substantially less than fair market rent for the property, unless the rent is reduced

or subsidized due to a federal, state or local subsidy; and

- Was entered into prior to the date of the foreclosure sale.

IMPORTANT:

YOU SHOULD CONTACT THE NEW OWNER OR THE OWNER'S REPRESENTATIVE AT THE ADDRESS LISTED ON THIS NOTICE AS SOON AS POSSIBLE TO LET THE NEW OWNER KNOW IF YOU ARE A BONA FIDE TENANT. YOU SHOULD PROVIDE WRITTEN EVIDENCE OF THE EXISTENCE OF YOUR RENTAL AGREEMENT, ESPECIALLY IF YOU HAVE A FIXED TERM RENTAL AGREEMENT OR LEASE WITH MORE THAN 30 DAYS LEFT. Written evidence of your rental agreement can be a copy of your lease or rental agreement, or other documentation of the existence of your rental agreement. Keep your original documents and a record of any information you give to the new owner.

YOUR TENANCY

BETWEEN NOW

AND THE MOVE-OUT DATE

The new owner may be willing to allow you to stay as a tenant instead of requiring you to move out after 30 or 60 days. You should contact the new owner if you would like to stay. If the new owner accepts rent from you, signs a new residential rental agreement with you or does not notify you in writing within 30 days after the date of the foreclosure sale that you must move out, the new owner becomes your new landlord and must maintain the property. Otherwise:

- You do not owe rent;
- The new owner is not your landlord and is not responsible for maintaining the property; and
- You must move out by the date the new owner specifies in a notice to you.

The new owner may offer to pay your moving expenses and any other costs or amounts you and the new owner agree on in exchange for your agreement to leave the premises in less than 30 or 60 days. You should speak with a lawyer to fully understand your rights before making any decisions regarding your tenancy.

IT IS UNLAWFUL FOR ANY PERSON TO TRY TO FORCE YOU TO LEAVE YOUR DWELLING UNIT WITHOUT FIRST GIVING YOU WRITTEN NOTICE AND GOING TO COURT TO EVICT YOU. FOR MORE INFORMATION ABOUT YOUR RIGHTS, YOU SHOULD CONSULT A LAWYER. If you believe you need legal assistance, contact the Oregon State Bar and ask for the lawyer referral service. Contact information for the Oregon State Bar is in-

cluded with this notice. If you do not have enough money to pay a lawyer and are otherwise eligible, you may be able to receive legal assistance for free. Information about whom to contact for free legal assistance is included with this notice.

(6)(a) Except as provided in paragraph (b) or (c) of this subsection, the purchaser at the trustee's sale is entitled to possession of the property on the 10th day after the sale. A person that remains in possession after the 10th day under any interest, except an interest prior to the trust deed, or an interest the grantor or a successor of the grantor created voluntarily, is a tenant at sufferance. The purchaser may obtain possession of the property from a tenant at sufferance by following the procedures set forth in ORS 105.105 to 105.168 or other applicable judicial procedure.

(b) Except as provided in paragraph (c) of this subsection, at any time after the trustee's sale the purchaser may follow the procedures set forth in ORS 105.105 to 105.168 or other applicable judicial procedure to obtain possession of the property from a person that holds possession under an interest that the grantor or a successor of the grantor created voluntarily if, not earlier than 30 days before the date first set for the sale, the person was served with not less than 30 days' written notice of the requirement to surrender or deliver possession of the property.

(c) If the property purchased at the trustee's sale includes a dwelling unit that is subject to ORS chapter 90 and an individual occupies the unit under a bona fide tenancy, the purchaser may obtain possession by following the procedures set forth in ORS 105.105 to 105.168 and by using the complaint form provided in ORS 105.124 or 105.126:

(A) At least 60 days after service of a written termination notice, if the bona fide tenancy is a fixed term tenancy as defined in ORS 90.100; or

(B) At least 30 days after service of a written termination notice if the bona fide tenancy is:

(i) A fixed term tenancy and the purchaser intends to occupy, as the purchaser's primary residence, the dwelling unit that is subject to the fixed term tenancy; or

(ii) A month-to-month tenancy or week-to-week tenancy, as those terms are defined in ORS 90.100.

(d) If a purchaser gives a 30-day written termination notice pursuant to paragraph (c) of this subsection, the purchaser may include in the notice a request that a tenant with a

fixed term tenancy provide written evidence of the existence of the tenancy to the purchaser at an address described in the notice. Written evidence includes a copy of the rental agreement or another document that shows the existence of the fixed term tenancy. The tenant's failure to provide the requested written evidence before the purchaser files an action for possession based on a 30-day notice:

(A) Does not prevent the tenant from asserting the existence of the fixed term tenancy as a defense to the action.

(B) Prevents the tenant from recovering prevailing party attorney fees or costs and disbursements pursuant to subsection (11)(b) of this section. The 30-day notice must describe the provisions of this paragraph.

(e) A purchaser may not commence a proceeding under ORS 105.105 to 105.168 that is authorized under this subsection before the later of:

(A) The 10th day after the trustee's sale;

(B) The date specified in a written notice of the requirement to surrender or deliver possession of the property if the notice is required by and is given to the person in accordance with paragraph (b) of this subsection;

(C) The date specified in a written notice of the purchaser's intent to terminate a tenancy if the notice is required by and is given to the person in accordance with paragraph (c) of this subsection; or

(D) The date on which the term of a fixed term tenancy ends, if the property is a dwelling unit and the purchaser has not terminated the tenancy in accordance with paragraph (c) of this subsection.

(f) A purchaser that seeks to obtain possession pursuant to ORS 105.105 to 105.168 must attach proof of service of a written termination notice required by paragraph (c) of this subsection to the pleadings.

(g) In an action to obtain possession, violation of the procedures required by subsection (5) of this section or paragraph (c) of this subsection is a defense for a bona fide tenant seeking to retain possession.

(h) As used in this subsection, "bona fide tenancy" means tenancy of a dwelling unit that is subject to ORS chapter 90 that results from an arm's-length transaction that occurred before the date of a foreclosure sale in which:

(A) The mortgagor or the child, spouse or parent of the mortgagor under the contract is not the tenant; and

(B) The rent required is not substantially less than fair market rent for the dwelling

unit, unless the rent is reduced or subsidized due to a federal, state or local subsidy.

(7) A purchaser shall serve a notice under subsection (6) of this section by one or more of the following methods:

(a) Personal delivery to the tenant.

(b) First class mail to the tenant at the dwelling unit.

(c) First class mail to the tenant at the dwelling unit and attachment of a second notice copy. The second notice copy must be attached in a secure manner to the main entrance to the portion of the premises in the possession of the tenant.

(8) If the notice under subsection (6) of this section is served by mail pursuant to subsection (7)(b) of this section, the minimum period for compliance must be extended by three days and the notice must include the extension in the period stated in the notice.

(9)(a) Notwithstanding the provisions of subsection (6)(c) of this section and except as provided in paragraph (b) of this subsection, the purchaser is not a landlord subject to the provisions of ORS chapter 90 unless the purchaser:

(A) Accepts rent from the individual who possesses the property under a tenancy described in subsection (6)(c) of this section;

(B) Enters into a new rental agreement with the individual who possesses the property under a tenancy described in subsection (6)(c) of this section; or

(C) Fails to terminate the tenancy as provided in subsection (6)(c) of this section within 30 days after the date of the sale.

(b) The purchaser may act as a landlord for purposes of terminating a tenancy in accordance with the provisions of ORS 90.396.

(c) The purchaser is subject to the provisions of ORS 90.322, 90.375, 105.165, 659A.421 and 659A.425. The application of ORS 90.375 to a purchaser that does not become a landlord does not impose an affirmative duty to pay for or provide services. For the purpose of damages pursuant to this paragraph, "rent" refers to the amount the tenant pays to the landlord for the right to occupy the unit before the foreclosure.

(10)(a) Except as provided in paragraph (b) of this subsection, the purchaser is not liable to the individual who possesses the property under a tenancy described in subsection (6)(c) of this section for:

(A) Damage to the property or diminution in rental value; or

(B) Returning a security deposit.

(b) A purchaser that is a landlord under the provisions of subsection (9)(a) of this section is liable to the individual who pos-

sesses the property under a tenancy described in subsection (6)(c) of this section for:

(A) Damage to the property or diminution in rental value that occurs after the date of the trustee's sale; or

(B) Returning a security deposit the individual pays after the date of the trustee's sale.

(11)(a) Except as provided in paragraph (b) of this subsection and notwithstanding an agreement to the contrary, in an action or defense arising pursuant to subsection (6)(c), (d), (f) or (g), (7) or (9)(c) of this section, reasonable attorney fees at trial and on appeal may be awarded to the prevailing party together with costs and disbursements.

(b) If a tenant asserts a successful defense to an action for possession pursuant to subsection (6)(c), (d), (f) or (g) of this section, the tenant is not entitled to prevailing party fees, attorney fees or costs and disbursements if the purchaser:

(A) Did not know, and did not have reasonable cause to know, of the existence of a fixed term tenancy when commencing the action for possession; and

(B) Promptly dismissed the action upon becoming aware of the existence of a fixed term tenancy.

(c) As used in this subsection, "prevailing party" means the party in whose favor final judgment is rendered.

(12)(a) Notwithstanding subsection (2)(a) of this section, except when a beneficiary has participated in obtaining a stay, foreclosure proceedings that are stayed by order of the court, by proceedings in bankruptcy or for any other lawful reason shall, after release from the stay, continue as if uninterrupted, if within 30 days after release the trustee sends amended notice of sale by registered or certified mail to the last-known address of the persons listed in ORS 86.764 and 86.774 (1).

(b) In addition to the notice required under paragraph (a) of this subsection, the trustee shall send amended notice of sale:

(A) By registered or certified mail to:

(i) The address provided by each person who was present at the time and place set for the sale that was stayed; and

(ii) The address provided by each member of the Oregon State Bar who by registered or certified mail requests the amended notice of sale and includes with the request the notice of default or an identification number for the trustee's sale that would assist the trustee in identifying the property subject to the trustee's sale and a self-addressed, stamped envelope measuring at least 8.5 by 11 inches in size; or

(B) By posting a true copy or a link to a true copy of the amended notice of sale on the trustee's Internet website.

(c) The amended notice of sale must:

(A) Be given at least 15 days before the amended date of sale;

(B) Set an amended date of sale that may be the same as the original sale date, or date to which the sale was postponed, provided the requirements of this paragraph and ORS 86.764 and 86.774 are satisfied;

(C) Specify the time and place for sale;

(D) Conform to the requirements of ORS 86.771; and

(E) State that the original sale proceedings were stayed and the date the stay terminated.

(d) If the publication of the notice of sale was not completed before the date the foreclosure proceedings were stayed by order of the court, by proceedings in bankruptcy or for any other lawful reason, after release from the stay, in addition to complying with the provisions of paragraphs (b) and (c) of this subsection, the trustee shall complete the publication by publishing an amended notice of sale that states that the notice has been amended following release from the stay and that contains the amended date of sale. The amended notice must be published in a newspaper of general circulation in each of the counties in which the property is situated once a week for four successive weeks, except that the required number of publications must be reduced by the number of publications that were completed before the effective date of the stay. The last publication must be made more than 20 days before the date the trustee conducts the sale.

(e) If a portion of the defaults specified in the original notice of default or in the original notice of sale was cured during the time the foreclosure proceedings were stayed, or if additional defaults have occurred during that time, the trustee shall describe in the amended notice of sale only those defaults that existed on the date on which the stay was terminated.

(f) After a release from a stay of proceedings, the trustee or the attorney for the trustee, or an agent that the trustee or the attorney designates, may postpone a sale for one or more periods that total not more than the greater of 60 days or the portion of the 180-day period allowed for postponement under subsection (2)(a) of this section that remained on the day before the stay began. A postponement under this paragraph must comply with the procedural and notice requirements specified in subsection (2) of this

section. [Formerly 86.755; 2011 c.510 §7; 2012 c.112 §10; 2013 c.76 §2; 2013 c.465 §2]

86.785 [1959 c.625 §16; renumbered 86.806 in 2013]

86.786 Request for information from trustee. (1) Not later than 15 days before the date of a sale of property set forth in the notice of sale under ORS 86.771, the grantor, an occupant, a holder of a junior lien or any other person interested in bidding at the sale may send a written request to the trustee requesting that the trustee provide a written statement of information as described in ORS 86.789.

(2) The written request under subsection (1) of this section shall be sent to the trustee at the address given in the notice of sale by:

(a) Certified mail, return receipt requested; or

(b) Personal delivery.

(3) The written request under subsection (1) of this section shall include a mailing address, a facsimile number or an electronic mail address to which the trustee shall send the written statement of information.

(4) The trustee is not required to respond to a written request that does not include an address, facsimile number or electronic mail address described in subsection (3) of this section.

(5) Upon receiving a written request under subsection (1) of this section, the trustee shall send the written statement of information to the address, facsimile number or electronic mail address provided in the written request at least seven days prior to the date of the sale. If the person requesting the written statement of information provided a mailing address, the trustee shall send the written statement of information by certified mail, return receipt requested and by first class mail. [Formerly 86.757]

86.789 Information provided by trustee. (1) The written statement of information provided by a trustee under ORS 86.786 shall include:

(a) A statement of the exact amount required, as of a specified date, to cure the default or satisfy the obligation, including the costs of foreclosure, trustee fees, attorney fees and per diem interest; and

(b) A description of any other performance necessary to cure the default or satisfy the obligation.

(2) If the amount required to cure the default or satisfy the obligation is not calculable to an exact amount, the trustee may estimate the maximum amount required to cure the default or satisfy the obligation.

(3) If the trustee does not provide the written statement of information within the time specified in ORS 86.786, the trustee may

postpone the sale of the property to provide the person requesting the written statement of information at least seven days between receipt of the statement and the date of the sale.

(4) A person requesting a written statement of information under ORS 86.786 has the rights of an omitted person under ORS 86.767 if:

(a) The person requesting the statement proves that the person sent a written request under ORS 86.786 at least 15 days before the date of sale; and

(b) The trustee cannot prove that the trustee sent the written statement of information at least seven days before the date of the sale.

(5) The provisions of this section and ORS 86.786 do not affect the duty of beneficiaries to provide information to grantors. [Formerly 86.759]

86.790 [1959 c.625 §3; 1967 c.359 §680; 1975 c.618 §2a; 1979 c.879 §5; 1981 c.192 §1; 1983 c.719 §9; 1989 c.190 §7; 1997 c.70 §1; 1997 c.631 §388; 2003 c.364 §50; 2013 c.125 §2; 2013 c.465 §6; renumbered 86.713 in 2013]

86.794 Disposition of proceeds of sale. The trustee shall apply the proceeds of the trustee's sale as follows:

(1) To the expenses of the sale, including the compensation of the trustee, and a reasonable charge by the attorney.

(2) To the obligation secured by the trust deed.

(3) To all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority.

(4) The surplus, if any, to the grantor of the trust deed or to the successor in interest of the grantor entitled to such surplus. [Formerly 86.765]

86.795 [1959 c.625 §19; 1961 c.616 §7; 1965 c.457 §10; renumbered 86.809 in 2013]

86.797 Effect of sale; actions for deficiency; restrictions. (1) If, under ORS 86.705 to 86.815, a trustee sells property covered by a trust deed, the trustee's sale forecloses and terminates the interest in the property that belongs to a person to which notice of the sale was given under ORS 86.764 and 86.774 or to a person that claims an interest by, through or under the person to which notice was given. A person whose interest the trustee's sale foreclosed and terminated may not redeem the property from the purchaser at the trustee's sale. A failure to give notice to a person entitled to notice does not affect the validity of the sale as to persons that were notified.

(2) Except in accordance with subsection (4) of this section, an action for a deficiency may not be brought after a trustee's sale un-

der ORS 86.705 to 86.815 or after a judicial foreclosure of a residential trust deed, and a judgment to foreclose a residential trust deed under ORS 88.010 may not include a money award for the amount of the debt against the grantor, the grantor's successor in interest or another person obligated on:

(a) The note, bond or other obligation secured by the trust deed for the property that was subject to the trustee's sale or the judicial foreclosure; or

(b) Any other note, bond or other obligation secured by a residential trust deed for, or mortgage on, the property that was subject to the trustee's sale or the judicial foreclosure when the debt, of which the note, bond or other obligation is evidence:

(A) Was created on the same day as, and used as part of the same purchase or repurchase transaction as, the note, bond or other obligation secured by the foreclosed residential trust deed; and

(B) Is owed to or was originated by the beneficiary or an affiliate of the beneficiary in the residential trust deed that was subject to the trustee's sale or the foreclosure.

(3) Notwithstanding ORS 88.103, if a judicial foreclosure of a trust deed that is not a residential trust deed results in a judgment that includes a money award, the judgment must provide that execution may issue for the amount by which the unpaid balance of the money award exceeds the net sale proceeds that are payable to the judgment creditor from the sale of the property that is subject to the foreclosure if:

(a) The net sale proceeds are insufficient to satisfy the money award; and

(b) The plaintiff requests the provision in the complaint.

(4) This section does not preclude:

(a) An action that forecloses, judicially or nonjudicially:

(A) Other property covered by the trust deed that is the subject of the foreclosure; or

(B) Another trust deed, mortgage, security agreement, consensual or nonconsensual security interest or lien that covers other real or personal property that is also used as security for the note, bond or other obligation that is secured by the trust deed for the property that was sold.

(b) An action against a guarantor for a deficiency that remains after a judicial foreclosure.

(5) A guarantor of an obligation secured by a residential trust deed may not recover a deficiency from the grantor or a successor in interest of the grantor. [Formerly 86.770; 2015 c.291 §3]

86.800 Contents of trustee's deed to purchaser. The trustee's deed to the purchaser at the trustee's sale shall contain, in addition to a description of the property conveyed, a recital of the facts concerning the default, the notice given, the conduct of the sale and the receipt of the purchase money from the purchaser. [Formerly 86.775]

86.803 Recitals in trustee's deed and certain affidavits as prima facie or conclusive evidence. When the trustee's deed is recorded in the deed records of the county or counties where the property described in the deed is situated, the recitals contained in the deed and in the affidavits required under ORS 86.774 (3) and (4) shall be prima facie evidence in any court of the truth of the matters set forth therein, but the recitals shall be conclusive in favor of a purchaser for value in good faith relying upon them. [Formerly 86.780]

86.806 Requests for copies of notice of default or notice of sale. At any time subsequent to the recordation of a trust deed and prior to a recording of notice of default under the deed, any person desiring a copy of any notice of default or any notice of sale under a trust deed as provided in ORS 86.764 (1) may cause to be filed for record in the county clerk's office of the county or counties in which any part or parcel of the real property is situated, a duly acknowledged request for a copy of any notice of sale or default where service is made upon the trustee. The request shall contain the name and address of the person requesting copies of the notice or notices and shall identify the trust deed by stating the names of the parties to the deed, the date of recordation of the deed and the book and page where the deed is recorded. The county clerk shall immediately make a cross-reference of the request to the trust deed, either on the margin of the page where the trust deed is recorded or in some other suitable place. No request, statement or notation placed on the record pursuant to this section shall affect title to the property or be deemed notice to any person that any person so recording the request has any right, title, interest in, lien or charge upon the property referred to in the trust deed. [Formerly 86.785]

86.809 Compensation of trustee. The charge of a trustee for the performance of powers and duties of foreclosure by advertisement and sale imposed under ORS 86.705 to 86.815 shall not exceed 50 percent of the compensation allowable to an executor or administrator under ORS 116.173 or a minimum charge of \$100. Such compensation shall be based upon the amount due on the obligation, both principal and interest, at the time of the trustee's sale. [Formerly 86.795]

86.812 Impermissible conditions for approving short sale or sale of note; exceptions. (1) As used in this section, “nonprofit entity” means a nonprofit corporation that is organized in this state and that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code, or a subsidiary or agent of the nonprofit corporation.

(2) Except as provided in subsection (3) of this section, a beneficiary may not, as a condition of offering or approving a short sale as an alternative to foreclosing a residential trust deed, require a nonprofit entity that purchases property that is subject to the residential trust deed from a grantor in a short sale, or that purchases a note from the beneficiary that secures the grantor’s obligation to the beneficiary by means of the residential trust deed, to enter into an agreement with the beneficiary or the grantor that limits or bars the grantor, after the short sale or the sale of the note, from owning or occupying the property that is subject to the residential trust deed.

(3) Subsection (2) of this section does not apply if:

(a) The beneficiary does not receive notice before the short sale that the nonprofit entity or the grantor intends for the grantor to continue after the short sale to own or

occupy the property that is the subject of the short sale;

(b) The grantor does not allow the beneficiary reasonable access to the property that is the subject of the short sale for the purpose of inspecting or appraising the property;

(c) Offering or approving the short sale would require the beneficiary to breach a contractual obligation to another person with respect to a residential trust deed that was recorded before July 19, 2013; or

(d) Offering or approving the short sale would require the beneficiary to breach a legal obligation that is not based on a contract. [2013 c.625 §2]

86.815 Time within which foreclosure must be commenced. The foreclosure of a trust deed by advertisement and sale or the foreclosure of a trust deed by judicial procedure shall be commenced within the time, including extensions, provided by ORS 88.110 and 88.120 for the foreclosure of a mortgage on real property. [Formerly 86.725]

PENALTIES

86.990 Penalties. Violation of ORS 86.040 is a Class B misdemeanor. [Amended by 1961 c.726 §410; 2011 c.597 §154]