# Dear Friends and Neighbors,

It is an honor to serve as State Representative for District Eight. During the first annual February Session I was assigned as Co-Chair of the House General Government and Consumer Protection Committee and Co-Vice Chair of the House Rules Committee. In this e-newsletter you will find information on:

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In addition to advocating for policy and budgetary legislation, one of my primary responsibilities as your State Representative is to help you navigate the state’s systems and help you address concerns and disputes with state agencies. Please do not hesitate to contact my office at (503) 968-1408 or [rep.paulholvey@state.or.us](mailto:rep.paulholvey@state.or.us) if I can be of any assistance.

Respectfully,

Paul Holvey

Budget  
After a decrease in projected state revenue, one of our most important tasks this February was rebalancing Oregon’s budget. During the 2011 Legislative Session we balanced our state’s budget during one of the worst economic climates in history. Since that time projected state revenues have declined by an additional $340 million.

During the 2012 Legislative Session we were able to come to a budget agreement that, given the circumstances, will hold the line to protect the most important services Oregonians rely on. Some highlights:

K-12 public schools and early childhood education are protected from cuts, preventing teacher layoffs, shorter school years, and increased class sizes.

College students will have access to $10 million more in state financial aid, helping middle class Oregonians attain the education and training that helps them prepare for the 21st century economy.

$8.5 million is restored to programs for people with developmental disabilities, further safeguarding our most vulnerable Oregonians.

The state is pursuing elimination of middle-management positions to free up resources for the most critical programs.

In this proposal, we are making sure to prioritize every dollar to hold the line on further cuts to education, public safety, and programs for seniors and people with disabilities. I am proud to stand with my House Democratic colleagues against deeper cuts to critical programs.

I hope that in the future we can take steps to make the Rainy Day fund available to help us withstand further downturns and ensure vulnerable Oregonians alone do not bear the brunt of the economic recession.

As Oregon’s economy continues its recovery and the state revenue picture improves, we will strive for further restorations to the services Oregonians need most: education, public safety, and human services.

For more detailed information on the proposed budget, read the [Co-chairs’ Budget Plan Summary Memo.](http://www.leg.state.or.us/comm/lfo/2012_session/Co-Chair%20Budget%20Rebalance%20Plan%202-23-12.pdf)

Education Bills

HB 4165 creates a new Early Learning Council to redesign, merge, and improve the coordination of early childhood services for our children. By creating a comprehensive children's budget - and increasing our financial investment in early childhood services - our state will yield a very positive return on investment as these children enter school healthier and more ready to learn.

There was lots of discussion this session about the new Oregon Education Investment Board (OEIB). SB 1581 will restructure education agencies, add new testing/accountability measures, and require all school districts, community colleges, and universities to establish "achievement contracts" with the OEIB.

HB 4061 establishes a Special Committee on University Governance to review issues of governance within the higher education system.

**Health Care Transformation**

**SB 1580 is a bi-partisan health care transformation bill,** which is projected to save the state billions over the coming decade, provide greater access to care, and bring down overall health care costs. The bill also 1580 implements Coordinated Care Organizations, allows for greater information sharing between the Oregon Health Authority and Department of Consumer and Business Services, and increases transparency. SB 1580 has been signed into law by Governor Kitzhaber.

**Health Insurance Exchange**

**By providing a central plan marketplace for consumers and small businesses, the Health Insurance Exchange will improve access and decrease costs.** Individuals and small businesses will be able to easily shop for and compare plans in a central market, and potentially receive help for paying benefits. Users may set criteria for plans and shop for coverage that best meets their needs. Pooling individuals into the Exchange will spread risk and make healthcare more affordable and accessible in the long run.

Financial Backing for Small Business   
Recognizing the financial needs of many small businesses in Oregon, I sponsored House Bill 4150. This legislation expands the number of small businesses eligible for supplemental loans through the Credit Enhancement Fund administered by Business Oregon. This will provide access to the capital many businesses need for gap financing to maintain operations or expand and hire new employees. The increased capacity of this fund to inject capital into small businesses is a crucial element an improving economy in Oregon; small business is responsible for creating most of the jobs across the state.

Foreclosure Reform: Strengthening Protections for Homeowners  
After working on lending and foreclosure issues in the legislature for the last 4 years, and having several bills killed without hearings in the House, I was elated to help negotiate the passage of SB1552. I worked with Senator Beyer to ensure this legislation would provide strong protections for homeowners facing the foreclosure process and require lenders to mediate possible measures for homeowners to avoid foreclosure and stay in their homes. We said “NO” to Republican attempts to weaken this legislation and take our ability to hold the financial industry accountable. On the last day of the session, Republicans relented and allowed the bill to come to a vote on the floor; and it passed overwhelmingly. On this day Oregonians voices were finally heard and the money from financial industry lobbyists lost its’ grip on the Oregon Legislature. SB 1552 ensures all homeowners will have access to face-to-face mediation with their lender in the presence of a neutral third party to negotiate alternatives to foreclosure. The bill also prohibits the “dual track” process, which is when a bank appears to be in negotiations with homeowners while simultaneously pursuing foreclosure. SB 1552 is based on pre-foreclosure mediation programs that have been successful in 21 other states.

National Foreclosure Settlement  
In 2010, we narrowly passed legislation bringing the financial industry under the Unlawful Trade Practices Act, which enabled the Attorney General to hold lenders accountable and participate in this national settlement. On February 9, 2012, Oregon’s Attorney General John Kroger announced that the nation's five largest banks will provide roughly $25 billion in relief to resolve a multistate investigation of fraudulent and flawed foreclosure practices. Oregon is one of 49 states that signed on to this agreement, which penalizes banks that engaged in wrongful conduct, brings badly needed assistance to distressed homeowners and will help reverse the housing market's downward slide.

Highlights of the agreement include:

An estimated $30 million to the State of Oregon

An estimated $200 million in relief to distressed Oregon homeowners including "underwater" borrowers and homeowners facing foreclosure

Tough new servicing standards that protect all homeowners from unfair and unscrupulous servicing practices

For more information about the settlement and homeowner eligibility please visit the official website: [www.nationalforeclosuresettlement.com](http://r20.rs6.net/tn.jsp?llr=pfqm4edab&et=1109264702523&s=9353&e=001AVcFWCHXlHIgGizRNPDSL-ErKSafU-0xMlOLZ0MK0RA7Ma87geRee0pGmCwR4fgkHCiB9hT4Y6mp1JRXcFbCGHLfnW-skwwv4ZkIGkZUoRadZuAEarzIbshZ0Dd2cgQsrZ8aVselP44=).

Consumer Corner – Scam Alert: Foreclosure Review Scam  
In November 2011, federal bank regulators ordered certain mortgage servicers to identify consumers whose homes faced foreclosure between January 1, 2009 and December 31, 2010. These consumers should have received a letter by the end of 2011 indicating that they may request an independent review of their foreclosure. If the review finds that the homeowner suffered financial injury caused by deficiencies in the foreclosure process, they may be eligible for compensation. There is no cost associated with the federal government's Independent Foreclosure Review program.

Unfortunately, scam artists are also contacting Oregon consumers and offering to conduct an "Independent Foreclosure Home Loan Review" or a "securitization review" for a fee. Attorney General John Kroger warns Oregonians to steer clear of independent foreclosure review scams.

Beware of anyone who wants payment to assist you with an independent foreclosure review or any other homeowner assistance or foreclosure prevention program

If you receive a letter suggesting that you qualify for compensation or received a grant without having requested an independent review from the federal government, it is a scam

A government agency will never request your contact information, Social Security Number, banking information, or credit card numbers in an email

Steer clear of anyone who claims they can guarantee a permanent mortgage modification or halt the foreclosure process

More information can be found at <http://www.independentforeclosurereview.com/>. If you received a notification about an independent foreclosure review and are unsure of its authenticity, contact the Federal Reserve Board at 888-952-9105 or learn more at [What You Need to Know: Independent Foreclosure Review](http://www.federalreserve.gov/consumerinfo/files/wyntk-foreclosure-review.pdf). If you or someone you know is facing foreclosure, there are many free HUD-approved housing counselors around Oregon. Visit <http://foreclosurehelp.oregon.gov/> for more information.

Marine Reserves



Three additional marine reserves in Oregon were created under SB 1510. This will establish a system of reserves and protected areas along the coast line and will allow us to determine if marine reserves are an effective management tool for Oregon’s valuable fish species. Socioeconomic effects of any fishing prohibitions are of huge concern to Oregon’s coastal economies, and steps will be taken to make sure there are no adverse impacts to the Coast.  The Ocean Policy Advisory Council (OPAC) recommended these sites near Cape Perpetua, Cascade Head and Cape Falcon.