



NEWS

Oregon Legislature - House Democratic Caucus

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House approves expansion of foreclosure relief

Senate Bill 558A will help more struggling homeowners find ways to keep their homes

SALEM –Today the Oregon House of Representatives took a step to help Oregonians keep their homes by approving a bill to expand the state's foreclosure mediation program.

One out of every thirteen homeowners in Oregon is behind on their mortgage payments by at least one month and more than 132,000 mortgages are underwater, according to recent data. Faced with so many Oregonians in danger of losing their homes, the House gave final legislative approval of a bill that would require lenders to discuss ways Oregonians can save their homes before filing for foreclosure.

“We’re in the midst of the worst foreclosure crisis in our country’s history, and many middle class families are fighting to keep a roof over their heads,” House Majority Leader Val Hoyle said. “We must take action now to support Oregonians who are struggling to keep their homes.”

Senate Bill 558A expands the Foreclosure Avoidance Mediation Program (FAMP), which requires lenders to meet with homeowners and a neutral third party before proceeding with a foreclosure sale.

Soon after the legislature took historic action in 2012 to create FAMP and strengthen protections for homeowners, most lenders started shifting foreclosures to the courts system, where the mediation requirement did not apply. Under SB 558A, homeowners will have the right to a pre-foreclosure meeting with their lender regardless of which process – judicial or non-judicial – the lender selects.

“This is the next step we must take in order to stand up to the Wall Street banks that benefit from foreclosing on struggling families,” said Representative Paul Holvey (D – Eugene), a co-sponsor of the bill. “This common sense expansion of Oregon’s mediation program will help homeowners throughout our state.”

SB 558A passed the House by a vote of 45 – 12 and will now go to Governor Kitzhaber for his signature.

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