



NEWS

Oregon Legislature - House Democratic Caucus

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House Republicans Turn out the Lights on Foreclosure Negotiations

Refusal to Pass Reforms Shuts the Door on Underwater Homeowners

SALEM- Foreclosure negotiations came up empty in the Capitol yesterday when House Republicans were unwilling to embrace common sense reforms passed by the Senate.

House Democrats had been meeting with House Republicans in hopes of convincing them to proceed with passage of a package of two Senate-passed bills modeled on successful reforms enacted in other states that would require banks to mediate with borrowers about alternatives to foreclosure and prohibit banks from foreclosing while at the same working with borrowers on loan modifications. House Republicans have been blocking a vote or hearing on foreclosure bills throughout the February session.

“The reality is that the package of reforms from the Senate passed by wide bipartisan margins and had Republican co-sponsors. They are good bills,” said Kotek. “We should pass those bills, but House Republicans made it clear they weren’t interested in having that conversation.”

House Republicans attempted to remove most accountability measures from the original bills, stripping many of the legal protections for homeowners as well as a common sense requirement that banks meet face to face with homeowners in mandatory mediation.

After House Republicans objected to the provision, House Democrats offered to remove the Unfair Trade Practices Act component of the bills in exchange for the inclusion of an alternative enforcement mechanism. Democrats said, however, that they would not agree to any bill that lacks some form of enforcement, allows the continuation of dual track, or omits a requirement that banks meet homeowners in face to face mediation.

Rep. Chris Garrett (D-Lake Oswego) also participated in negotiations in hopes of passing foreclosure reform this session. “The foreclosure bills that the Senate passed are good bills as is, but we were willing to make some changes to accommodate House Republicans. We’re not

willing to drop the requirement of mediation, which has been proven to work in the states that have adopted it.”

“Oregon homeowners deserve protection, and the banks have not acted in a way that instills trust,” said Kotek. “That’s why a legitimate enforcement mechanism is so critical.”

While House Republicans seem content to wait until 2013 to reexamine the issue, hundreds of Oregonians lose their homes each month.

“The only ones that benefit from delays are big banks,” said Kotek “Oregonians can’t afford to wait any longer.”

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