



NEWS

Oregon Legislature - House Democratic Caucus

FOR IMMEDIATE RELEASE

March 5, 2012

Jared Mason-Gere (503) 986-1907

House Democrats Move Foreclosure Reform *Opposition falters as SB 1552 heads to the floor*

SALEM- Foreclosure reform legislation long supported by House Democrats, homeowners, and consumer protection advocates passed the House Rules Committee on Monday afternoon as the 2012 Legislative Session wound to an end. The bill, SB 1552, was amended to include both the original reforms included in the measure as well as the primary contents of SB 1564, both of which passed the Senate overwhelmingly earlier this session.

Despite House Democrats' efforts to pass both bills immediately, they were blocked by House Republican Leadership and stalled in committee. The bills also withstood Republican attempts at amendments that would have not only weakened the intent of the bill but taken steps backward to validate the Mortgage Electronic Reporting System (MERS), remove the enforcement mechanisms, and loosen bank regulations. All of the original aims of the package of Senate Bills remain in the amended version of SB 1552.

"This is a big win, no question," said Rep. Tina Kotek, (D-Portland) House Democratic Leader. "We came into this session intent on passing meaningful foreclosure reforms to help middle class Oregonians. We overcame significant partisan opposition and a full court press from the big banks."

"Today we're standing up for Ginny Real and people like her all over the state," said Kotek, referring to a Salem resident who joined House Democrats in calling for the reforms. Real and her husband lost their home due to a health care emergency, and were victims of the dual track foreclosure process.

SB 1552 addresses the major issues of the foreclosure crisis by giving distressed homeowners tools and protections that will allow them to stay in their homes. Included are provisions that would require banks to negotiate with borrowers and a mediator to explore alternatives to foreclosure and prohibit the "dual track" process in which banks appear to work on loan

modifications while simultaneously proceeding with foreclosure. Additionally, the bill includes oversight and a right to damages if banks violate the dual tracking provisions.

“After more than three years of foreclosure discussions in (the Capitol), Oregonians are finally being heard,” said Rep. Paul Holvey. “We came into the session saying we couldn’t leave without ending dual track foreclosures, requiring face to face mediation, and holding banks accountable. SB 1552 does all of those things.”

###