



SENATE MAJORITY OFFICE

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Bill will protect tenants when landlords enter foreclosure *SB 491 continues work last session to clarify rights of innocent renters*

SALEM – The Oregon Senate passed legislation this morning that builds on Senate Democrats’ success protecting tenants if the property they rent goes into foreclosure. Senate Bill 491 improves security for tenants by clarifying inconsistencies in current law and modifying notice of foreclosure.

“Tenants are truly the innocent parties when a rental property is foreclosed,” said Senator Suzanne Bonamici (D-NW Portland/Washington Co.), chief sponsor of the bill. “Low-income families are particularly vulnerable because they are more likely to rent. If they lose their home, they face a real risk of homelessness. This is a serious problem that can impact our entire community.”

As an increasing number of investment properties enter foreclosure, more and more tenants are impacted. SB 491 requires better notice to a tenant of their options throughout the foreclosure process and makes technical amendments to eviction forms to ensure better implementation. The bill also protects purchasers of foreclosed properties from liability unless they choose to become landlords.

“This is a good bill for tenants, who will have more frequent and more explicit detail of their rights. And this is a good bill for purchasers of foreclosed property, who will benefit from greater consistency and clarity in the law,” said Senator Rod Monroe (D-Portland), who carried the bill on the floor.

The Legislative Assembly adopted legislation in 2009 and 2010 designed to provide additional rights to tenants living in residential properties subject to foreclosure sale. After that, federal legislation was passed that provides additional rights. Senate Bill 491 aligns Oregon law with the federal law. Senate Bill 491 now goes to the House for consideration.

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