

**Emerson Levy**  
**STATE REPRESENTATIVE**  
House District 53



## **HOUSE OF REPRESENTATIVES**

April 8, 2025

Chair Nathanson, Vice Chair Reschke, Vice Chair Walters, Member of the Committee:

My name is Emerson Levy, and I represent House District 53. I am happy to report that we are nearing the close of the foreclosure surplus discussion. As a brief reminder - our task is to create a path in the county lien foreclosure process whereby the debtor can retrieve a surplus. I want to thank the many partners that have worked diligently over the last year.

Today before the committee you have the -2 amendment, which tackles many of the bigger issues that we needed to resolve in the lien foreclosure process, the -3 reflects technical amendments from the courts and hopefully when we are in front of you the final time it will be with the -4 that will resolve outstanding issues. We need to resolve some details around service, debt calculation, font size, and clarification of the auction process.

We have tackled notice issues, created a legal pathway for the treasury, and addressed when a real estate agent is needed (narrow). The refining process that is left is making sure the consumer has notice while keeping fees low, as many cases will not have surplus and we do not want counties eating too many costs.

As we frame the conversation for today, it is important to remember that we are acting within the framework set forth by the Supreme Court. The Supreme Court has made it clear that we are under the obligation to create a clear process whereby surplus can be collected by the former property owner. At the same time, the court was intentionally vague about how this should be achieved, but was clear when debating at what moment the taking occurred, saying the states should not be a real estate agent in this process.

Today you'll hear from various stakeholders. I have reviewed the comments over the last few days and believe that we can address the majority of the substantive concerns. However, I will note the banks opposition notes that they feel they should be able to lay claim to the surplus funds because they still have an outstanding debt even though the lien is extinguished. While I fully appreciate the claim and I am even sympathetic, the court is clear the surplus funds go to the debtor first, and then the claim can be pursued. I imagine this will be a subject of future litigation.

We look forward to bringing the -4 for your final review to address the outstanding issues that you will hear today. Thank you.

A handwritten signature in black ink, appearing to read "Emerson Levy".

Emerson Levy, State Representative

House District 53 – Central Oregon