



# JACKSON COUNTY

Oregon

## Finance/Treasury

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As amended, HB 2089 still places a significant administrative burden and expense on each County. Below are the concerns that Jackson County believes still need to be addressed.

### **Concern #1 – Required Title Search at the Beginning of Foreclosure Proceedings:**

As amended, the proposed provision in Section 1(1)(a)(B) requires notification to all owners, lienholders, and mortgagees at the beginning of the foreclosure process.

Under current practice, the initial foreclosure notice is mailed solely to the owners of between 200 and 250 properties. One year later, for the properties that remain, typically fewer than 50, title reports are ordered from a title company to identify lienholders and mortgagees for notification purposes.

#### *Impact on the County:*

Title reports cost between \$250 and \$450 per property. At the very least, title report fees will increase from \$12,500 to \$62,500 and could rise as high as \$112,500; however, there is currently no statute that allows us to recoup this cost before judgment. This would be a significant burden on the Taxation department's budget.

On average, 80% of property owners notified at the beginning of foreclosure proceedings redeem their property before the one-year Notice of Redemption Period Expiration is mailed. Performing title searches too early in the process is inefficient as it creates additional, unnecessary work.

There is also a concern that the additional title report requirement could cause a delay in processing the foreclosure judgment due to the exponential increase in the number of title reports required.

#### *Requested Solution:*

Remove this requirement from the beginning of the foreclosure proceedings. Instead, this requirement should remain as part of ORS 312.125, the Notice of Expiration of Redemption Period. A year's notice should be sufficient time for the lienholder or mortgagee to respond to the notice.

### **Concern #2 – Additional Notifications and Formatting Requirements:**

As amended, the proposed provisions in Section 1(1)(a)(B) and Section 4(1) add lienholders, mortgagees, the Department of Revenue, and the Department of Justice to the initial notification of foreclosure proceedings.

In addition, the proposed provision in Section 1(3)(a) requires each notice to be written in all capital letters and at least 20-point font type.

*Impact on the County:*

Increasing the font size of the additional text will increase the notice from one page to three pages.

Notices cost approximately \$8.86 each in postage to mail, both first-class and certified. Increasing the number of pages and the number of organizations required to receive notifications will at least triple the cost of postage.

*Requested Solution:*

Allow new text to be 14-point font to make notices no more than two pages, which would incur no additional postage cost.

As stated earlier, approximately 80% of properties are redeemed before the one-year Notice of expiration is mailed. The additional notification requirement for lienholders, mortgagees, the Department of Revenue, and the Department of Justice should be included as part of ORS 312.125, the Notice of Expiration of Redemption Period, which provides them at least one year to respond to the notice.

**Concern #3 – Required Notice of Redemption Period End Date in Initial Notice:**

Section 1 (3)(b)(B) requires the redemption period end date to be included in the initial notice.

*Impact on the County:*

At the time the County sends the initial notice, the redemption period end date is unknown. It is not until we file for judgment a month or two later that we know the judgment date.

*Requested Solution:*

Remove this requirement from the required language.

**Concern #4 – Require County Sheriff to Post First Notice at Physical Property:**

The proposed provision in Section 1(3)(c) requires that the sheriff of the county post, in a conspicuous place on the property subject to the notice, a copy of the notice.

*Impact on the County:*

This is yet another potentially expensive and unnecessary step and one that we may be unable to perform. Under our current process, Taxation staff make a significant effort to contact the owners and interested parties directly before the redemption period expires. The Sheriff's office has limited staff and resources available to make this a priority.

Additionally, we feel that conspicuously posting notices so early in the foreclosure process is embarrassing to the homeowners.

*Requested Solution:*

Remove this requirement from the statute.

**Concern #5 – Require Online, Real-Time Bidding Public Auction**

Section 6(c)(A) states that the auction shall include an online bidding process, in which bids are received electronically over the Internet in real-time.

*Impact on the County:*

This would be complicated and cumbersome to implement for the relatively small number of properties that we sell each year that would fit the requirements for auction.

*Requested Solution:*

Continue with the current, in-person public auction process.