

Good afternoon, Chair and Members of the Committee,

My name is Samantha Demchak, and I am here to speak in strong support of Senate Bill 534, a critical measure to protect Oregon's seniors and homeowners from predatory home equity sharing practices.

I have dedicated my career to serving seniors, particularly those living with Alzheimer's and dementia. Recently, I encountered one of the most egregious examples of financial exploitation I've ever seen.

In 2017, a client of mine signed an agreement with Unison, a home equity investment company. Without access to a computer, she completed the entire application over the phone. She received \$40,000 based on her home's appraised value of \$215,000. Attracted by the promise of "no payments required," she signed the agreement.

When I reviewed her paperwork—79 pages of fine print, with one line suggesting, "We recommend you read your entire contract, even though it's a dry read"—I needed a magnifying glass to make sense of it.

Fast forward to 2024, my client needed to sell her home to move into a senior living community. By then, her home was valued at \$425,000. After selling, she was required to repay Unison not only the \$40,000 but also 65.75% of the home's appreciation—nearly \$137,000 in total. Instead of using this equity to fund her care, she is applying for Medicaid to cover her expenses, shifting the financial burden to Oregon taxpayers.

Companies like Unison promise immediate cash with no monthly payments or interest, which seems like a lifeline. But the reality is far more troubling. Complaints from across the country reveal a disturbing pattern:

- **Disputes over Appraisals:** If a homeowner's appraisal is rejected, the company can conduct its own, creating a conflict of interest.
- **Unexpected Repayment Amounts:** Many seniors only realize the full extent of their financial loss after it's too late.
- **Forced Sales:** Some contracts require homeowners to sell their property to fulfill the agreement, leaving them with no options in times of crisis.
- **Regulatory Scrutiny:** The Consumer Financial Protection Bureau has highlighted the complexity, lack of transparency, and misleading terms of these agreements.

For Oregon seniors, the stakes are even higher. Losing equity often means they cannot afford senior care, forcing them to rely on Medicaid. This isn't just an issue of consumer protection—it's a matter of fiscal responsibility.

SB 534 provides a fair and balanced solution: capping lenders' claims to a proportionate share of equity based on their initial investment. This ensures fairness, transparency, and the protection of our most vulnerable citizens.

I urge you to support SB 534 to safeguard Oregon's homeowners and taxpayers from these predatory practices. Thank you for your time and consideration.