

Theodore R. Kulongoski
Governor



NEWS RELEASE
FOR IMMEDIATE RELEASE
July 30, 2009

Contacts:

Anna Richter Taylor, 503-378-6169

Jillian Schoene, 503-378-5040

Rem Nivens, 503-378-6496

Governor Kulongoski Signs Bills to Help Oregonians Facing Financial Hardship
Mortgage, foreclosure protections signed into law today among numerous new consumer protections passed by the 2009 Legislature

(Portland) – Governor Ted Kulongoski today signed two bills into law that provide greater protections and rights to homeowners and all Oregonians who are working to reduce personal debt. The two bills are part of a larger group of consumer financial protection bills passed this session.

“Oregonians are facing many financial hardships right now – from job losses to foreclosure to growing debt,” the Governor said. “During the 2009 session, we provided significant new rights to consumers, helping them manage through their current financial challenges and ensuring they are better protected in the future.”

The new consumer protection laws touch on a variety of areas. They help Oregonians who are facing foreclosure or struggling to pay their mortgage and other bills, provide better protections to those subject to garnishments, and ensure renters living in foreclosed homes are not unexpectedly evicted. They also strengthen mortgage lending standards to ensure borrowers are treated fairly.

Today, the Governor signed Senate Bill 628 and House Bill 2189. Senate Bill 628 helps homeowners facing foreclosure by bringing them together with their lender to discuss options. The bill requires that mortgage lenders notify homeowners facing foreclosure of the right to a meeting, and to assess whether the borrower is eligible for a loan modification.

“Many homeowners in danger of foreclosure have a difficult time contacting their lender to try to work something out,” the Governor said. “When the borrower and lender come together, they often can find a way to avoid foreclosure – a win for everyone.”

Under House Bill 2189, the Oregon Department of Consumer and Business Services will be able to enforce new federal laws that require additional disclosures to mortgage borrowers and restrict loan servicing abuses and misleading advertising. DCBS also will begin licensing loan originators – as part of a new national licensing system – to ensure they have met education requirements, passed background checks, and followed the law in other states. House Bill 2188, signed earlier by the Governor, provides additional new protections to Oregon mortgage borrowers. It restricts the sale of negative amortization loans and requires lenders to provide translated disclosures when loans are negotiated in languages other than English.

“New stronger standards for lenders – both at the state and federal level – will help ensure mortgage borrowers are treated fairly and have the information they need to choose the right type of loan for their situation,” the

Governor said.

Other bills that help consumers affected by the foreclosure crisis include Senate Bill 952 and House Bill 3004. These bills each help Oregon renters living in foreclosed homes by requiring additional notice and providing protections related to leases and security deposits.

Legislation passed this session also will help consumers facing other types of debt, such as credit card bills and car loans.

House Bill 2191 protects financially vulnerable Oregonians who are increasingly turning to consumer debt management services for assistance. This bill requires all providers of debt management services to be registered with DCBS, including debt settlement companies and loan modifiers who have been especially prolific during the economic downturn and were not previously subject to state regulation. It also limits fees that can be charged, gives debtors the right to cancel contracts, prohibits misleading advertising practices, and requires providers to analyze a consumer's budget to determine the actual benefits of the proposed services.

Senate Bill 731 better protects consumers who receive Social Security benefits, veterans' benefits, or unemployment benefits. Current law exempts these benefits from garnishment, but sometimes it happens because banks are not required to check accounts specifically for these funds. Now, banks will provide an extra level of protection by looking closely at accounts for these funds before processing a garnishment.

To read more about all the bills passed this session that better protect Oregon consumers, click [here](#).