150-311-0655

Deferral Criteria for Homesteads with a Reverse Mortgage

1 (1) For purposes of this rule:
2 (a) “Debt” means the current balances due on all liens, judgments or other outstanding obligations
3 against the property, regardless of priority.
4 (b) “Home value” means the real market value shown on the last certified tax roll for the homestead,
5 adjusted by multiplying by the year-over-year percentage change in the Federal Housing Finance Agency
6 House Price Index for Oregon, fourth quarter. Information provided by the deferral applicant for use in
7 determining their home value may also be considered.
8 (2) For homesteads that were in the property tax deferral program before July 1, 2011, and are subject to
9 a reverse mortgage entered into before 2011, no equity test is required and sections (3) to (6) of this rule
10 are not applicable.
11 (3) For homesteads subject to reverse mortgages that were entered into on or after July 1, 2011, and
12 before January 1, 2017, the homestead must meet an equity test in which the applicant’s equity in the
13 property equals or exceeds 40 percent of the home value at the time of application for deferral. The
14 equity percentage of the property shall be determined as described in section (4) of this rule.
15 (4) Equity equals the home value minus the debt. The equity percentage is calculated by dividing the
16 equity by the home value.
17 (5) To assist the department with calculating the equity percentage in the property, deferral program
18 applicants must provide the department with all of the following along with the application:
19 (a) A mortgage statement(s) issued no more than a month prior to application showing current balance
20 due.
21 (b) The most recent statement(s) of all other debts against the property showing current balance due.
22 (6) The department may require a title encumbrance report issued by a title company be provided by the
23 applicant.
PURPOSE: Clarifies the process for determining home equity at the time of the deferral application for homes with reverse mortgages from 2011 through 2016.

(7) This rule is effective December 1, 2019 and is applicable to deferral applications filed for the 2020-2021 tax year.

[Publications: Contact the Oregon Department of Revenue for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule pursuant to ORS 183.360(2) and ORS 183.355(1)(b).]

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 311.700