

Know your rights: Oregon Homeowners

HB 4204: Foreclosure Moratorium



In June, the Oregon Legislature passed HB 4204, which provides temporary relief from mortgage payments and basic protection from foreclosure to homeowners who may be struggling to pay their bills because of COVID. The law provides basic protections until September 30th, although some homeowners may be eligible for additional protections under the federal CARES Act.

Am I eligible? If you own a home in Oregon, including a manufactured home or a rental home, and you are struggling to make payments because you've been financially impacted by COVID-19, you are eligible for protection under HB 4204. If you have a federally backed mortgage, you may be eligible for additional protection under federal law. This protection can provide temporary relief from mortgage payments during the emergency period. You can find out if you have a federally backed mortgage by reading this fact sheet: <https://www.nhlp.org/wp-content/uploads/2020.04.10-NHLP-Homeowner-Relief-Info-Sheet-Update2.pdf>. Approximately 70% of homeowners nationwide have a federally backed mortgage.

Help! I can't pay my mortgage because I've lost my job, lost work hours, or can't work due to COVID. HB 4204 or the federal CARES Act can protect you.

- HB 4204 prevents any filing of foreclosures or continuing with any foreclosure action until September 30, 2020. *(There is an exception for foreclosures filed because you owe your county a significant amount of back property taxes. Please call a housing counselor (see link below) if this situation applies to you.)*
- If you have experienced a loss of income and request a payment deferral, HB 4204 requires your lender to stop collecting your mortgage payments during the emergency period. They may not require you to pay any portion of your mortgage, such as an interest-only payment.
- Any payments that you are unable to pay during the emergency period would be due at the end of the loan, unless you and your lender both agree to a different plan.
- If you have a federally backed mortgage and are eligible for protection under the CARES Act, your lender may just extend the period of your loan for several months, and you will simply pay your missed mortgage payments over an equal number of months at the end of the loan. If you aren't eligible for protection under the CARES Act but are eligible for protection under HB 4204, you may need to pay a lump sum payment at the end of your loan period (not the end of the emergency period), typically when you refinance or sell your home.

Can my lender charge me late fees?

No. If you request a payment deferral due to income loss, your lender cannot impose a late fee, penalty, or other fees because you aren't able to make your payments during the emergency period. Your lender also cannot report these missed payments to credit bureaus.

How do I access these protections?

You should call your mortgage lender, and notify them that you are unable to make your payments due to COVID-19. If you need help notifying your mortgage lender, a housing counseling agency in your community may be able to help you. You can find a local housing counseling agency here: <https://www.oregon.gov/ohcs/Pages/talk-with-a-housing-counselor.aspx>.

What should I do if I don't get good information from my lender, or they offer me conflicting information? HB 4204 is very clear. All lenders in Oregon must comply. You have rights under this bill. If you need help talking to your mortgage lender, a housing counseling agency in your community may be able to help you. You can find a local housing counseling agency here: <https://www.oregon.gov/ohcs/Pages/talk-with-a-housing-counselor.aspx>. If you think your mortgage lender is doing something wrong, you can contact the Department of Consumer and Business Services: <https://dfr.oregon.gov/business/licensing/financial/mortgage/Pages/examiners.aspx>.

I think I might be able to get back to work soon. Do I really need this protection? Yes! If we have learned only one thing from COVID, it's that this is unpredictable. If you are struggling to make your mortgage payments because you've lost hours or work due to COVID, we strongly encourage you to call your lender and ask for this protection. You can always make up missed mortgage payments later, but you need to act soon to ensure you are protected by this law. We are strongly encouraging people to access this protection and defer mortgage payments, rather than putting their mortgage payment on a credit card or using savings. This protection is there to help you avoid foreclosure.

Do I have to prove I've been economically impacted by COVID? What if I don't have documentation from my employer or I'm a gig worker or self-employed?

No! If you are a homeowner and you want protection under this law, your lender may ask you to attest (swear) that you've been economically impacted by COVID, but is not allowed to ask you for detailed documentation .

What if I have a personal loan for a manufactured home?

You are eligible for protection under HB 4204 if you have a personal loan, chattel loan, or retail installment loan on a manufactured home or even an RV if it's your primary residence.

What if I have already missed one or more mortgage payments?

This protection is retroactive to March 8, 2020 and goes until September 30, 2020. If you missed a mortgage payment(s) after March 8, you are eligible for this protection.

Can my lender require me to notify them every month I need help?

No. Your lender is only allowed to ask you to notify them once that you need this assistance.

What's this I hear about a balloon payment?

If you are eligible for this protection, the payments that you miss will move to the end of your loan period, and it may become a balloon payment, meaning that all of the missed payments will be due all at once. If you use the protection under HB 4204, we encourage you to talk with a housing counselor to talk about how to plan for this balloon payment if you are nearing the end of your mortgage. If you have a federally backed mortgage, your lender may simply move the missed payments to the end of your loan without requiring a balloon payment. A housing counselor can help you learn more.

Are Landlords eligible for protection under HB 4204?

Yes! Landlords, particularly those that own single family rentals, may also be in need of forbearance options. HB 4204 extends protections to them as well.

What should I do if I need more help?

You can find a local housing counseling agency here: <https://www.oregon.gov/ohcs/Pages/talk-with-a-housing-counselor.aspx>.