



May 6, 2010

Dear Customer:

Oregon SB 1013 becomes effective 6-30-10. The changes in SB 1013 that affect lenders or trustees are set forth in Section 2 of the bill. (The bill makes other changes that affect landlords whose properties are being foreclosed; these legislative changes are not being addressed in this letter.)

Section 2 amends the “Notice to Residential Tenants” required by ORS 87.745 (9). The new, longer “Notice to Residential Tenants” incorporates federal law rights for tenants in foreclosed residential dwellings, and it provides more detail to tenants on rights under state law. The statute sets out the required notice verbatim.

The new longer “Notice to Residential Tenants” does not need to be included with the copy of the Trustee’s Notice of Sale that is published, but it must be included with the TNOS copies that are mailed to and served on anyone who is living at the property address. TD Service Company has amended the Notice to Residential Tenants and will begin serving and mailing this notice prior to 6-30-10.

HB 3610: The changes in HB 3610 affect both the lender and the trustee. In order to address advocates concerns that borrowers who request modifications under the procedures adopted in 2009’s SB 628, the lender (“beneficiary”) or its servicer (“beneficiary’s agent”) is now required to inform the borrower, who has timely requested but will not be given a loan modification in response to the SB 628 notice, why the lender has denied the request. See Section 1 of the bill. The lender can fulfill its duty to explain in writing “how the beneficiary or the beneficiary’s agent calculated that the grantor was not eligible for a loan modification” by providing the information required in the notice in Supplemental Directive 09-08 issued by the Treasury under the Helping Families Save Their Homes Act, P.L. 111-22. If the lender does not participate in that federal program, the lender can create its own notice to describe why the borrower did not qualify. The beneficiary’s affidavit of compliance with SB 628 requirements must include a statement in writing that the lender provided this explanation in writing to the borrower.

The other changes made in HB 3610 apply only to the trustee. The affidavits reflecting mailings, service or posting, and publication were performed must now be recorded “at or before the time the trustee conducts the sale.” It is no longer sufficient to record these affidavits on the day of sale unless the trustee can be assured they have been recorded early enough in the day that recording was completed before the hour the sale actually occurs. In addition, the beneficiary’s affidavit of how it has complied with SB 628, as modified above, must be recorded **at least 5 days before** the date of sale. See Section 2 of the bill.

All of these new requirements on HB 3610 take effect on May 27, 2010.

OR Customer Notification Letter

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If you have any questions concerning SB 1013 or HB 3610, please feel free to contact me or the Operations Supervisor assigned to your account as listed below.

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Sincerely,

Linda Kidder
Senior Vice President

Attachments: SB 1013
HB 3610
Affidavit of Compliance