

# Real Property Foreclosure



Foreclosure is a legal proceeding by which the county enforces payment of real property taxes. The county acquires legal title to a property if the taxes aren't paid by a certain date. In Oregon, real property is normally subject to foreclosure three years after the taxes become delinquent.

## When are taxes delinquent?

Property taxes can be paid in full by November 15 or in three installments: November 15, February 15, and May 15. If the taxes are not paid in full by May 16 they are delinquent.

- May 16 of the following year they are one year delinquent;
- May 16 of the next year they are two years delinquent;
- May 16 of the year after they are three years delinquent.

The property is subject to foreclosure when the taxes are three years delinquent.

## Delinquency notices

You will receive notices to tell you about the foreclosure process.

1. The tax statement you receive each year shows delinquent taxes and the current year's taxes. Also on the statement is the delinquent year that causes the property to be subject to foreclosure.
2. If the tax on your property is unpaid after May 15 of any year, you will get a delinquency notice telling you the date after which foreclosure proceedings will begin.
3. Counties must send another delinquency notice by both regular and certified mail before the foreclosure list is published in the newspaper.

## Foreclosure procedures

The following is a brief description of the steps involved in the foreclosure process.

### Action taken by county

1. A list of all properties subject to foreclosure is prepared in July of each year for accounts with property taxes three years delinquent. Lienholders may ask to be notified if a certain property is subject to foreclosure.
2. One month after the foreclosure list is prepared, the district attorney applies for a judgment and decree through the circuit court. The foreclosure list is published the same day. Notice of the foreclosure is run in a newspaper of general circulation in the county. Notice of foreclosure may be made by personal service.
3. A judgment and decree is secured from the circuit court not less than 30 days after the application for judgment and decree. After that, you have two years to redeem property. Only the following can redeem property: (1) a person with an interest in the property at the date of judgment and decree, (2) an heir or devisee of a person with an interest in the property, (3) a holder of a lien of record on the property, such as a mortgage company, and (4) a municipal corporation with a lien on the property, such as a city or sewer district.
4. All persons with a legally recorded interest in the property are notified by both regular and certified mail that the period of redemption will end. The tax collector is responsible for providing this notice. The notification is to be made not less than one year before the expiration of the redemption period.
5. A "Notice of Expiration of Redemption Period" is published in two weekly issues of a newspaper. This occurs not more than 30 days nor less than 10 days before the expiration of the redemption period.

6. The tax collector deeds the property to the county at the end of the redemption period. All taxes are canceled and the property is removed from the tax roll. Within certain limits, the county is free to sell the property to the former owner at a private sale.

### **Taxpayer's course of action**

1. Your property can be removed from the foreclosure list before publication if you pay the full tax and interest for the year(s) causing foreclosure. Interest is  $11/3$  percent per month.
2. After the foreclosure list is given to the newspaper for publication, you can remove your property from the foreclosure list by paying the full tax and interest for the year(s) causing foreclosure and a penalty of 5 percent of the total tax and interest owed on the property.
3. If you believe the property should not be included in the foreclosure process, you must file your reasons with the court within 30 days after the publication.
4. Once judgment and decree is granted by the circuit court the two-year redemption period commences. To get your property back during this period, you must pay all taxes and interest for all years shown on the judgment and decree, the 5 percent penalty, interest on the judgment, plus a \$50 redemption fee.

Once the county sends the certified notice that the redemption period will end in one year this fee may increase. The county will do a title search on

the property before it sends the certified notice. If it costs the county more than \$50 to have a title search done on the property, you must pay the actual cost.

Interest on the total amount of judgment and decree is 9 percent per year.

5. You keep title to your property up to the time the tax collector deeds the property to the county. If you damage or destroy the property in any way during the period of redemption, you lose your rights to own the property.
6. You have lost all rights to the property after the tax collector deeds the property to the county. You may ask the county court or board of county commissioners to sell the property at a private sale. The board may do so, but does not have to.

### **Questions?**

**Telephone:** Salem .....503-378-4988  
Toll-free within Oregon...1-800-356-4222

**TTY (hearing or speech impaired; machine only):**  
503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

**Americans with Disabilities Act (ADA):** This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

**For general tax information:** [www.dor.state.or.us](http://www.dor.state.or.us)

**Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis al 1-800-356-4222 en Oregon.**