



August 24, 2020

RE: **Recently Enacted Oregon House Bill 4204 (“HB 4204”)**

TO: All Servicers Acting on Deals with Wells Fargo Bank, N.A., as Trustee or as Master Servicer

Dear Sir/Madam:

You are receiving this communication because Wells Fargo Bank, N.A. (“Wells Fargo”) is the Trustee or Master Servicer for various securitization trusts in which you act as a servicer. This letter is to inform servicers of certain legislation enacted by the State of Oregon, and also to remind you that servicers are solely responsible for their own knowledge of and compliance with all local, state, and federal laws, rules, orders, and regulations consistent with their obligations under the governing agreements.

### **HB 4204**

Due to the financial impact of COVID-19, the Oregon legislature enacted HB 4204, which established, among other things, a foreclosure moratorium and payment deferral requirements on all lenders (including servicers) for certain loans (described below) through at least September 30, 2020. In addition, the lenders are required to provide written notice to all impacted borrowers of their rights for accommodation under HB 4204 by August 29, 2020. Loans subject to HB 4204 are those secured by Oregon commercial and residential real estate or personal property in Oregon that serves as a residence (e.g., manufactured/mobile homes, RVs, floating homes).

Based on our limited review and general understanding, HB 4204 sets forth the following (among other things):

- Establishes an “Emergency Period” beginning on March 8, 2020, through September 30, 2020. The Emergency Period may be extended for an indefinite period by executive order of the Governor no later than September 1, 2020 or by the Oregon Legislature.
- During the Emergency Period, if (1) a borrower notifies the lender that they are unable to make their periodic payments due to loss of income caused by COVID-19, and (2) the lender and the borrower do not agree on a modification or deferral, then HB 4204 requires the lender to:
  - Defer collection of periodic payments during the Emergency Period; and
  - Permit payment of the deferred amount on the maturity date or anticipated repayment date of the loan.



- Upon borrower's notification that they are unable to make their periodic payment(s) due to loss of income caused by COVID-19, HB 4204 further prohibits the following actions:
  - Collecting or assessing charges, fees, penalties, or attorney's fees.
  - Imposing a default interest rate.
  - Treating the borrower's missed payment(s) as an ineligibility for foreclosure avoidance.
  - Initiating new cash management or lockbox procedures.
  - Taking control of the property's operating revenue
  - Declaring a default based on the borrower's failure to meet financial covenants due to inadequate operating revenue.
- During the Emergency Period, foreclosures on all loans that are subject to HB 4204 are prohibited regardless of whether the lender receives the borrower notification described above.
- Notice must be provided to all impacted borrowers in accordance with the requirements of HB 4204, which includes providing written notice to such borrowers about their rights under HB 4204.

For your information and convenience only, we were able to locate an electronic copy of HB 4204 at the following link:

<https://olis.oregonlegislature.gov/liz/2020S1/Downloads/MeasureDocument/HB4204/Enrolled>

As of the date of this letter, we understand that HB 4204 is subject to a legal challenge which could ultimately affect the availability of some or all of the rights provided under HB 4204.

### **Compliance Required**

Please be advised that servicers are solely responsible for the review, analysis, and interpretation of, and the compliance with HB 4204, and all other applicable laws, statutes, and ordinances consistent with their obligations under the governing agreements. Failure to comply with any or all of the requirements of HB 4204 may result in significant penalties and fines. Additionally, HB 4204 provides that a borrower may bring an action to recover actual damages suffered because of conduct that was prohibited under HB 4204, and also recover court costs and attorney fees.

### **Additional Considerations**

It is imperative that you immediately identify properties in the State of Oregon and provide the requisite notice to borrowers (to the extent that you haven't already done so) in accordance with HB 4204. If you have knowledge of, or discover, any instances of non-compliance with HB 4204, or other ordinances, statutes, laws, orders, or regulations, you must respond appropriately, and immediately correct any and all problems and/or violations. If any claim or action related to HB 4204 is pursued (in Oregon courts or elsewhere) against Wells Fargo for any loan you are servicing where Wells Fargo is the Trustee or Master Servicer, you must also immediately provide written notice of this any such claim or action to us.

### **Conclusion**

Pursuant to the governing agreements for the securitization transactions, servicers are required to comply with HB 4204 consistent with their obligations under such governing agreements. In the event servicers fail to comply with the HB 4204, and any other applicable statutes, ordinances, laws, rules, orders, and/or regulations, Wells Fargo, as the Trustee or Master Servicer, may take corrective action against such servicers.

Should you have any questions or concerns, please contact [CTSMASSO@wellsfargo.com](mailto:CTSMASSO@wellsfargo.com).

Sincerely,

Wells Fargo Bank, N.A., as Trustee  
Wells Fargo Bank, N.A., as Master Servicer