

A. FORECLOSURES

Bill	Description of Key Provisions	Support/Opposition
<p>ABX2 7 (Lieu)</p> <p>Chapter 5, Statutes of 2009-10 Second Extraordinary Session.</p>	<p>[This bill sunsetted on January 1, 2011.] Prohibited a mortgagee from recording a notice of sale for certain residential property until at least an additional 90 days has lapsed beyond the statutory three-month period following the filing of a notice of default. Permitted loan servicers to apply for an exemption from this 90-day delay by demonstrating that they have implemented a “comprehensive loan modification program,” as defined.</p> <p>These provisions applied only to loans secured by a deed of trust recorded between January 1, 2003 and January 1, 2008 and that constitute a first priority mortgage or deed of trust on property that the borrower occupied as his principal residence at the time the loan became delinquent.</p>	<p>Support/Opposition: None on file.</p>
<p>AB 2347 (Feuer)</p> <p>Chapter 597, Statutes of 2010</p>	<p>Provides that if a property contains five or more dwelling units and a public entity holds part of a recorded deed restriction or is a party to a recorded rent regulatory agreement on the property, the public entity may, by written notice to the trustee, postpone the sale date by no more than 60 days.</p> <p>Provides that the power to postpone a sale date pursuant to this act may be exercised only once, and that the period of postponement expires after 180 days have elapsed since filing the notice of default. These provisions sunset in 2013.</p>	<p>Support: City of Los Angeles; California Rural Legal Assistance Foundation; League of California Cities; Western Center on Law & Poverty</p> <p>Opposition: None</p>
<p>SB 306 (Calderon)</p> <p>Chapter 43, Statutes of 2009</p>	<p>Enacts technical and clarifying changes to SB 1137 (2008), including:</p> <ol style="list-style-type: none"> 1) Clarification regarding the requirements for borrower contact and the manner in which a borrower may request HUD counseling. 2) Provides specificity on existing references to bankruptcy. 	<p>Support: Escrow Agents Fidelity Corporation, United Trustees Association</p> <p>Opposition: None on file.</p>

TABLE 1: FORECLOSURE & MORTGAGE RELATED BILLS, ENACTED

CA LEGISLATURE, 2007-2010

	<p>3) Clarifies references to residential real property to specify that the provisions of SB 1137 apply to "owner-occupied," as indicated on loan documents.</p> <p>4) Makes changes to existing intent language regarding mortgage loan securitizations and duties under pooling and servicing agreements.</p> <p>5) Specifies that the foreclosure sale notice must be sent via first class mail.</p>	
<p>SB 1137 (Perata) Chapter 69, Statutes of 2008</p>	<p>[This bill will sunset on January 1, 2013.] Requires a legal owner to maintain vacant, residential real property purchased by that owner at a foreclosure sale or acquired by that owner through foreclosure under a mortgage or deed of trust. Provides that a governmental entity may impose civil fines and penalties of up to \$1,000 per day per violation so long as it gives the owner notice of the claimed violation, including a description of the conditions giving rise to the claim of violation, and an opportunity to remedy the violation at least 14 days prior to imposing fines and penalties.</p>	<p>Support: Consumer advocates, tenant advocates, California State Association of Counties, League of California Cities, Western Center on Law & Poverty, Center for Responsible Lending, and many more community-based organizations.</p> <p>Opposition: Minor opposition to final version of the bill, although earlier versions of the bill were strongly opposed by bankers, lenders, mortgage bankers, apartment associations, and other industry groups.</p>
<p>SB 1221 (Calderon) Chapter 180, Statutes of 2010</p>	<p>Allows a trustee to notice the sale of a property in non-judicial foreclosure approximately five days earlier by allowing a Notice of Sale to be given 85 days, instead of three months, after the filing of a Notice of Default.</p>	<p>Support: United Trustees Association</p> <p>Opposition: None</p>

<p>SB 1427 (Price) Chapter 527, Statutes of 2010</p>	<p>Provides that, prior to imposing a fine or penalty for failure to maintain a vacant foreclosed property, a governmental entity shall provide the owner of that property with a notice of violation and an opportunity to correct the violation.</p> <p>Provides that any assessment or lien to recover the costs of such nuisance abatement measures shall not exceed the actual and reasonable costs of abatement.</p>	<p>Support: CA Assn of Realtors; CA Assn of Retired People</p> <p>Opposition: None on file</p>
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B. LOAN MODIFICATION

Bill	Description of Key Provisions	Support/Opposition
<p>SB 1137 (Perata)</p> <p>Chapter 69,</p> <p>Statutes of 2008</p>	<p>[This bill will sunset on January 1, 2013.] Requires the lender or loan servicer, at least 30 days prior to filing a Notice of Default, to contact the borrower, or meet specified due diligence requirements to contact the borrower, in order to assess the borrower’s financial situation and explore options for the borrower to avoid foreclosure.</p> <p>Specifies due diligence to include the following: (1) Sending a letter by first-class mail that includes the toll-free number for HUD-certified counseling agencies; (2) After the letter is sent, phoning at least three times at different hours on different days; (3) If the borrower does not respond to the phone calls within two weeks, sending a certified letter, return receipt requested.</p> <p>Requires the Notice of Default to include a declaration by the lender or servicer that it had either contacted the borrower, or tried with due diligence to contact the borrower, or that the borrower has surrendered the property.</p> <p>Codifies a legislative finding that any duty servicers may have to maximize the net present value under their pooling and servicing agreements is owed to all parties in a loan pool, not to any particular parties, and that a servicer acts in the best interest of all parties if it agrees to or implements a loan modification or workout plan, as specified.</p> <p>Codifies the intent of the Legislature that the lender or loan servicer offer the borrower a loan modification or workout plan, if such a modification or plan is consistent with its contractual or other authority.</p> <p>Applies only to mortgage loans on owner-occupied residences that were made between January 1, 2003 and December 31, 2007.</p>	<p>Support:</p> <p>Consumer advocates, tenant advocates, California State Association of Counties, League of California Cities, Western Center on Law & Poverty, Center for Responsible Lending, and many more community-based organizations.</p> <p>Opposition:</p> <p>Minor opposition to final version of the bill, although earlier versions of the bill were strongly opposed by bankers, lenders, mortgage bankers, apartment associations, and other industry groups.</p>

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<p>SB 94 (Calderon) Chapter 630, Statutes of 2009</p>	<p>Prohibits persons from charging advance fees to borrowers in connection with a loan modification, and requires those who wish to charge a fee for loan modification services to provide a notice to borrowers regarding other options available to the borrower.</p>	<p>Support: ACORN, Center for Responsible Lending, AFSCME, Consumers Union, Labor, Assn of Mortgage Brokers, others.</p> <p>Opposition: Realtors initially opposed, later neutral.</p>
<p>SB 633 (Wright) Chapter 57, Statutes of 2009</p>	<p>This bill creates two new exceptions to the law that prohibits persons from requiring an impound or trust account as a condition of a real property sales contract, or a mortgage or deed of trust on single-family, owner-occupied real property:</p> <p>1) Where a loan is refinanced or modified in connection with a lender's homeownership preservation program or a lender's participation in such a program sponsored by a federal, state, or local government authority or a nonprofit organization.</p> <p>a) Where a loan is made in compliance with certain requirements for higher priced mortgage loans, whether or not the loan is a higher-priced mortgage loan.</p>	<p>Support: California Bankers Association</p> <p>Opposition: None on file.</p>

C. LENDING

Bill	Description of Key Provisions	Support/Opposition
<p>AB 260 (Lieu) Chapter 629, Statutes of 2009</p>	<p>Establishes "higher-priced mortgage loans," as defined, as a new category of regulated loans, and limits prepayment penalties and prohibits provisions for negative amortization on this category of loans.</p> <p>Provides that licensed real estate brokers and salespeople shall not make any false, deceptive, or misleading statement or representation in connection with these loans.</p> <p>Requires a mortgage broker to receive the same compensation for providing mortgage brokerage services whether paid by a lender, borrower, or a third party, and prohibits a mortgage broker from steering a borrower to accept a loan at higher cost.</p>	<p>Support: ACORN, AFL-CIO, California State Employees Assn.</p> <p>Opposition: Civil Justice Assn of CA (CJAC); realtors, mortgage brokers; CA Dept of Corporations; CA Dept of Real Estate.</p>
<p>AB 1160 (Fong) Chapter 274, Statutes of 2009</p>	<p>Requires certain financial institutions that negotiate a contract in one of five specified languages to provide the consumer with a summary of loan terms translated into the language in which the contract was originally negotiated.</p> <p>This requirement applies to state-chartered depository institutions, state-licensed finance lenders and finance brokers, and state-licensed residential mortgage lenders and servicers, but not to federally-chartered depository institutions.</p>	<p>Support: AACRE (sponsor); consumer groups, CAOC, SEIU, many others.</p> <p>Opposition: Chamber of Commerce, CJAC, others initially opposed the bill, but later adopted a neutral position.</p>
<p>AJR 45 (Coto) Res. Chapter 81, Statutes of 2008.</p>	<p>Memorializes the Congress of the United States to enact, and the President of the United States to sign, a permanent increase in the conforming mortgage loan limit and the Federal Housing Administration limit, to the levels to which these limits were increased in the Economic Stimulus Act of 2008.</p>	<p>Support: Bankers, mortgage bankers, realtors, contractors, many others.</p> <p>Opposition: None on file.</p>

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<p>SB 385 (Machado) Chapter 301, Statutes of 2007</p>	<p>Provides that federal guidance relating to nontraditional mortgage products shall apply to state-regulated mortgage lenders and brokers to ensure that all mortgage lenders and brokers, regardless of their regulator, are subject to the federal guidelines.</p> <p>("Nontraditional mortgage products" are loans that allow borrowers to defer repayment of principal, and in some cases, interest; or where borrowers are given the opportunity to make relatively low payments during an initial low interest rate period in exchange for agreeing to make much higher payments during a later amortization period.)</p>	<p>Support: CA Bankers Assn; Center for Responsible Lending; Fair Lending Alliance; Greenlining Institute</p> <p>Opposition: None on file</p>
<p>SB 1065 (Correa) Chapter 283, Statutes of 2008</p>	<p>Allows cities and counties to use revenue bond funds to make or purchase refinanced home mortgages that are federally insured, federally guaranteed, or eligible to be purchased by the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan and Mortgage Corporation, when the owner of the home is and will be the occupant of the house.</p>	<p>Support: Independent Cities Lease Finance Authority; California Association of Realtors; California Association of Retired Americans; League of California Cities.</p> <p>Opposition: None on file.</p>

D. TENANT PROTECTION

Bill	Description of Key Provisions	Support/Opposition
SB 120 (Lowenthal) Chapter 560, Statutes of 2009	<p>Requires a corporation, public utility, or district furnishing individually metered residential utility service to provide notification of service termination in writing and in multiple languages, as specified, and adds single-unit structures to the dwelling types whose residents must be notified of service termination.</p> <p>Allows residents of single-unit structures to take over individually metered utility accounts that were the obligation of the owner if certain conditions are met, and then deduct their monthly utility charges from their rent.</p>	<p>Support: California Rural Legal Assistance, Western Center on Law & Poverty, EBMUD</p> <p>Opposition: None on file</p>
SB 1137 (Perata) Chapter 69, Statutes of 2008	<p>[This bill will sunset on January 1, 2013.] Requires the mortgagee, when posting a notice of sale, to also post and mail a specified notice (in five languages) addressed to the residents of the property subject to the foreclosure sale, that informs them of the foreclosure sale and their rights as tenants before they may be evicted by a new owner.</p> <p>Provides that, notwithstanding existing law, a tenant or subtenant in possession of a rental housing unit at the time the property is sold in foreclosure shall be given 60 days' written notice to leave the property before that tenant may be removed from the property, with the exception of any party to the mortgage note that remains in the property as a tenant, subtenant, or occupant.</p>	<p>Support: Consumer advocates, tenant advocates, California State Association of Counties, League of California Cities, Western Center on Law & Poverty, Center for Responsible Lending, and many more community-based organizations.</p> <p>Opposition: Minor opposition to final version of the bill, although earlier versions of the bill were strongly opposed by bankers, lenders, mortgage bankers, apartment associations, and other industry groups.</p>
SB 1149 (Corbett) Chapter 641, Statutes of 2010	<p>Prohibits the release of court records in a foreclosure-related eviction unless the plaintiff landlord prevails, as specified, and requires that a prescribed cover sheet, notifying a tenant of his or her rights and responsibilities, be attached to any eviction notice that is served within one year after a foreclosure.</p>	<p>Support: Western Center (sponsor), CA Reinvestment Coalition, CRLA, Center for Responsible Lending, others</p> <p>Opposition: None on file</p>

E. OTHER TOPICS

Bill	Description of Key Provisions	Support/Opposition
AB 69 (Lieu) Chapter 277, Statutes of 2008	Authorizes the Commissioner of the Dept. of Corporations to require licensed mortgage lenders and servicers to provide reports concerning residential mortgage loan servicing activities, as defined, including from some loan servicers that are not subject to the commissioner's jurisdiction. Also requires the Commissioner to post aggregated survey results on the Department of Corporation's Internet Website.	Support: Consumer Action, fair housing advocates, many others Opposition: Bankers, lenders, mortgage bankers. Also opposed by CA Reinvestment Coalition and Center for Responsible Lending because no lender-specific reporting requirement was included.
AB 180 (Bass & Lieu) Chapter 278, Statutes of 2008	Prohibits a foreclosure consultant from entering specified pre-foreclosure agreements with a homeowner, allows a homeowner to cancel within five days of signing a contract with a foreclosure consultant, and requires the foreclosure consultant to maintain a surety bond.	Support: City of Sacramento, Consumers Union, AFL-CIO Opposition: None on file.
AB 2325 (Lieu) Chapter 596, Statutes of 2010	Provides that foreclosure consultant services include arranging or attempting to arrange the audit of any obligation secured by a lien on a residence in foreclosure, and thereby requires foreclosure consultants to register with the Department of Justice before arranging or attempt to arrange those audits.	Support: Greenlining Institute Opposition: None
SB 931 (Ducheny) Chapter 701, Statutes of 2010	Requires the holder of a first mortgage or deed of trust that is secured by residential real property to accept, as full payment, the proceeds of a short sale to which it agrees in writing, and obligates that note holder to fully discharge the remaining amount of the borrower's indebtedness on the deed of trust or mortgage following the sale.	Support: Several individuals Opposition: None on file

<p>SB 1448 (Scott) Chapter 156, Statutes of 2008</p>	<p>Increases the maximum fine for an unlicensed person acting or advertising themselves as a real estate broker or a real estate salesperson from \$10,000 to \$20,000 and for an unlicensed corporation from \$50,000 to \$60,000, and requires any fine collected in excess of \$10,000 from an individual or in excess of \$50,000 from a corporation be deposited into the Real Estate Fraud Prosecution Trust fund if one exists in the county where the conviction occurs.</p>	<p>Support/Opposition: None on file.</p>
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