

A. FORECLOSURES

Bill	Description of Key Provisions	Support/Opposition	Outcome
AB 2187 (Caballero) 2008	<p>This bill would have required a lender foreclosing on real estate property to include with the notice of default a foreclosure statement of rights, which specifies the process of foreclosure and sets forth the rights of the borrower regarding contracts with mortgage foreclosure consultants.</p> <p>This bill also would have required, until January 1, 2013, a mortgage lender acquiring a property through the foreclosure process to maintain the exterior of vacant residential property.</p>	<p>Support: None on file</p> <p>Opposition: Bankers, mortgage associations, mortgage brokers</p>	Died in Assembly Appropriations Committee.
AB 1333 (Hancock) 2008	<p>This bill would have required the legal owner of real property to pay the utilities provided to a property or its tenants following a foreclosure under specified circumstances. This bill also would have allowed a municipal utility district to place a lien on a property for delinquent fees or charges for the furnishing of water or sewer service to residential property, as specified.</p>	<p>Support: East Bay MUD</p> <p>Opposition: None on file.</p>	Vetoed
AJR 59 (Solorio) 2008	<p>This resolution would have urged the President and Congress to require more oversight of mortgage lenders and loan servicers and increase disclosures and enforcement of mortgage laws.</p>	None on file	Held in Assembly Banking & Finance Committee
SB 127 (Calderon) 2009	<p>This bill would have required a mortgagee or trustee to make specified disclosures on an Internet web site or in a 24-hour telephone recording at least once a week before the scheduled trustee's sale of a property, and to provide a list of liens and encumbrances on a foreclosed property and to charge a reasonable fee for that information, as specified.</p>	None on file	Gutted & amended in Assembly Banking Committee

B. LOAN MODIFICATION

Bill	Description of Key Provisions	Support/Opposition	Outcome
<p>SB 1275 (Leno) 2009</p>	<p>The bill would have required mortgage servicers to make contact with borrowers to discuss foreclosure avoidance consistent with the requirements in existing California law (enacted by SB 1137 (Perata) of 2008).</p> <p>This bill would have required the loan servicer, when a borrower applies for a loan modification, to collect relevant documents and determine a borrower’s qualification for a loan modification prior to filing a notice of default, subject to certain minimum timelines.</p> <p>The bill would not have required a servicer to offer or provide a loan modification to a borrower who is not eligible, nor would it have imposed any standards regarding the substance of, or qualifications for, loan modifications. Instead, it would have simply required the servicer to follow its own guidelines for loan modification.</p> <p>Where the loan is subject to the federal HAMP program, the bill would have allowed a servicer to satisfy any obligation by simply adhering to HAMP guidelines.</p> <p>This bill would have required the servicer to send the borrower a denial explanation letter if the servicer denies an application for a loan modification.</p> <p>This bill would have provided various remedies, including statutory damages, to borrowers in cases where the servicer fails to adhere to notification and related requirements associated with the foreclosure process.</p>	<p>Support: Center for Responsible Lending, Western Center, housing advocates, consumer advocates, many others.</p> <p>Opposition: Bankers, lenders, mortgage bankers, Chamber of Commerce, ACEC, many others</p>	<p>Failed passage on the Assembly Floor</p>

TABLE 2: FORECLOSURE & MORTGAGE RELATED BILLS, UNSUCCESSFUL

CA LEGISLATURE 2007-2010

<p>AB 764 (Nava) 2009</p>	<p>This bill would have prohibited any person who performs loan modification services to claim, charge, receive, or collect a fee paid for by the borrower for loan modification agreements until the terms of the loan have been modified. (i.e. advance fee agreements)</p>	<p>Support: California Labor Federation; ACORN; City of Los Angeles; California Reinvestment Coalition; State Bar of California; Consumers Union, others.</p> <p>Opposition: None</p>	<p>Vetoed</p>
<p>AB 1588 (Bass, Nava, Lieu) 2010</p>	<p>This bill would have established a facilitated Mortgage Workout Program (MWP) for borrowers facing foreclosure whereby a borrower could request to participate in conciliation sessions with their lender to examine mortgage loan modification options or foreclosure alternatives.</p>	<p>None on file</p>	<p>Died in Assembly Banking & Finance Committee</p>
<p>AB 1639 (Nava, Bass, Lieu) 2010</p>	<p>This bill would have established a facilitated Mortgage Workout Program (MWP) for borrowers facing foreclosure whereby a borrower could request to participate in "neutral conciliation sessions" with their lender to examine mortgage loan modification options or foreclosure alternatives. Participation would be allowed only if a number of criteria were first met, including that the loan originated prior to 2009, the unpaid principal balance is not more than \$729,750, and the borrower resides in home as his primary residence.</p>	<p>Support: Antonio Villaraigosa, LA Mayor (sponsor); Consumers Union.</p> <p>Opposition: Bankers, lenders, mortgage bankers, Chamber of Commerce, CJAC, many other financial industries.</p>	<p>Failed passage on the Assembly Floor, died in Inactive File.</p>
<p>AB 2024 (Blumenfield) 2010</p>	<p>This bill would have required any lender or servicer that rejects a loan modification request to respond to the borrower making the request within 7 days via certified mail, stating the specific reasons why the request was rejected and meeting certain language translation requirements.</p>	<p>Support: Cal-PIRG</p> <p>Opposition: Bankers, lenders, Chamber of Commerce.</p>	<p>Held in Assembly Banking & Finance Committee.</p>

TABLE 2: FORECLOSURE & MORTGAGE RELATED BILLS, UNSUCCESSFUL

CA LEGISLATURE 2007-2010

<p>AB 2236 (Monning) 2010</p>	<p>This bill would have required a mortgagee, trustee, or beneficiary, or an authorized agent to include on all notices informing the borrowing that he or she has failed to make a minimum payment or a full payment when due, the name and contact information, including address and telephone number of the person or entity that has legal authority to modify the terms and conditions of the borrower's loan.</p>	<p>None on file</p>	<p>Held in Assembly Banking & Finance Committee</p>
<p>AB 2677 (Torrico) 2010</p>	<p>As introduced, this bill would have prohibited the mortgagee from giving notice of sale if the mortgagee is currently in negotiations to modify the existing loan.</p>	<p>None on file</p>	<p>Gutted and amended in Assembly Banking & Finance Committee</p>
<p>AB 2678 (Fuentes) 2010</p>	<p>This bill would have prohibited a mortgagee from giving notice of sale during the foreclosure process if the mortgagee is currently in negotiations to modify the existing loan. This bill also provided that if sale proceedings have been postponed, the borrower shall receive a new notification of the notice of sale before the date of the actual sale.</p>	<p>Support: None on file Opposition: Bankers, lenders, mortgage associations, Chamber of Commerce, Land Title Assn, and others.</p>	<p>Failed passage in Assembly Banking & Finance Committee.</p>
<p>AJR 20 (Caballero) 2010</p>	<p>This measure would have urged Congress to enact H.R. 230 to provide all homeowners, including those in California, the opportunity to refinance their current home loans with a lower interest rate and to assist qualified homebuyers with mortgage financing.</p>	<p>None on file</p>	<p>Held in Assembly Banking and Finance Committee</p>

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<p>HR 21 (Jones) 2010</p>	<p>This measure would have urged the State of California and local governments to explore the potential divestiture of all financial interests in banking and other financial institutions that fail to cooperate with foreclosure prevention efforts that include temporary moratoriums on foreclosures, renegotiation of mortgage principles to reflect current values, and good faith negotiations with mortgagees.</p>	<p>None on file</p>	<p>Held in Assembly Banking and Finance Committee</p>
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C. LENDING

Bill	Description of Key Provisions	Support/Opposition	Outcome
AB 919 (Nava) 2010	This bill would have required a rider to be attached to a mortgage or deed of trust that lists the name and license number, if applicable, of the appraiser, lender, loan originator, and real estate broker. This bill also would have prohibited the County Recorder from accepting any mortgage or deed of trust for recordation without the rider attached.	None on file	Gutted and amended in Senate Banking & Finance Committee
AB 2653 (Beall) 2010	This bill would have provided that when the ownership of a mortgage or deed of trust on residential real property is transferred to another person, that person shall provide, upon request of the borrower, the price paid for the indebtedness.	None on file	Held in Assembly Banking and Finance Committee
AB 512 (Lieber) 2007	This bill would have required a supervised financial organization, as defined, that negotiates a contract primarily in one of five languages, to deliver, prior to the execution of the contract or agreement, and no later than 3 business days after receiving the written application, a specified form in that language summarizing the terms of the contract.	Support: Center for Responsible Lending, Consumer Attorneys, Consumer Union, many others. Opposition: Chamber of Commerce, CJAC, credit unions, others.	Died in Senate Banking Committee
AB 529 (Torrico) 2008	This bill would have required a borrower to receive notice if their loan is scheduled to switch from an initial fixed rate to an adjustable rate, or set to reset to a fully amortizing loan. This notification must occur between 90 and 120 days before the loan is scheduled to switch or reset. The notice must include the current payment, the month and year the loan will change, an example of the potentially monthly payment after reset, and a number the borrower may contact for more information about	Support: AFSCME, AFL-CIO, Center for Responsible Lending, Consumers Union Opposition: Bankers, lenders, mortgage bankers, others.	Vetoed

TABLE 2: FORECLOSURE & MORTGAGE RELATED BILLS, UNSUCCESSFUL

CA LEGISLATURE 2007-2010

	the terms of the loan.		
AB 628 (Price) 2007	This bill would have prohibited a real estate broker or a residential mortgage lender or servicer from making a gift, as defined, to a borrower or a potential borrower.	None on file	Gutted and amended in Assembly Banking and Finance Committee
AB 941 (Torrico) 2007	As introduced, this bill would have required any person engaged in the business of making or servicing residential mortgage loans who advertises option adjustable rate mortgage loans and references a payment rate with a negative amortization feature to include a specified disclosure in the advertisements.	None on file	Gutted and amended in Assembly Banking and Finance Committee
AB 1830 (Lieu) 2008	This bill would have prohibited brokers from the practice of loan steering (i.e. steering a borrower to accept a loan at a higher cost than that which the consumer could otherwise qualify for) and eliminated certain compensation incentives that can lead to steering. This bill also would have codified a fiduciary duty standard for mortgage brokers across all loan products.	Support: ACORN, AFL-CIO, Consumers Union, CAL PIRG, others Opposition: Realtors, CA Assn of Mortgage Brokers, CA Mortgage Assn	Vetoed
AB 1837 (Garcia) 2008	This bill would have prohibited a covered loan from including a prepayment penalty after the first 24 months from the date of consummation of the loan and would authorize a covered loan to include a prepayment penalty before that time period if specified conditions are satisfied. The bill would also have prohibited a licensed person from receiving any compensation for originating a subprime loan or nontraditional loan with an interest rate above the wholesale par rate for which the consumer qualifies.	None on file	Held in Assembly Banking & Finance Committee

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<p>AB 2161 (Swanson) 2008</p>	<p>As introduced, this bill would have required certain licensees engaged in the business of making consumer loans, or making and servicing residential mortgage loans, to establish a grievance resolution system specifying procedures to receive, review, and resolve grievances filed by consumers or borrowers within 30 calendar days of receipt.</p>	<p>None on file</p>	<p>Gutted and amended in Asm. Approps. Committee</p>
<p>AB 2359 (Jones) 2008</p>	<p>This bill would have prohibited an originator, beneficiary, trustee or assignee from requiring, as a condition of an agreement regarding a covered loan, subprime loan, or non-traditional loan, that the applicant waive any duties, remedies, or forums of California law with respect to a residential mortgage or foreclosure.</p>	<p>Support: AARP, ACORN, labor, CAL PIRG, fair housing advocates, senior advocates, consumer attorneys, Consumer Union, others. Opposition: Realtors, bankers, mortgage bankers, others.</p>	<p>Died in Senate Banking, Finance & Insurance Committee.</p>
<p>AB 2509 (Galgiani) 2008</p>	<p>This bill would have required the California Housing Finance Agency (CalHFA) to establish the Homeownership Preservation Mortgage Guarantee Program, to be administered by the Business, Transportation & Housing Agency, using federal funding made available through the Neighborhood Stabilization Act of 2008 (HR 5818).</p>	<p>Support: CA Credit Union League Opposition: None on file.</p>	<p>Died in Senate Banking, Finance & Insurance Committee.</p>
<p>AB 2880 (Wolk) 2008</p>	<p>This bill would have specified that mortgage brokers have a fiduciary responsibility to borrowers, and required mortgage brokers to maintain a surety bond of \$100,000 to \$500,000, depending on the volume of business. This bill also would have prohibited mortgage brokers from steering customers toward loans that are more costly than that for which the borrower qualifies, and placed limits on</p>	<p>Support: AARP, ACORN, labor, CAL PIRG, fair housing advocates, senior advocates, consumer attorneys, Consumer Union, many others. Opposition: Realtors, CA Mortgage Assn</p>	<p>Held in Assembly Appropriations Committee.</p>

TABLE 2: FORECLOSURE & MORTGAGE RELATED BILLS, UNSUCCESSFUL

CA LEGISLATURE 2007-2010

	compensation that brokers may receive from the issuance of a conventional loan.		
SB 1053 (Machado) 2008	This bill would have required real estate brokers that make, arrange, or service residential mortgage loans to notify the Department of Real Estate of their business activity and to file certain reports and statements with the Department.	Support: Realtors, mortgage brokers, bankers, Center for Responsible Lending, Greenlining Institute Opposition: None on file	Held in Assembly Banking & Finance Committee
SB 1604 (Machado) 2008	This bill would have specified new net-worth and bonding requirements for finance lenders under the California Finance Lenders (CFL) Law and required an application for any person seeking employment with a CFL or an entity licensed under the Residential Mortgage Lending Act.	Support: California Financial Services Association, Los Angeles County District Attorney's Office Opposition: Cal PIRG; Center for Responsible Lending; Consumers Union	Gutted and amended on the Assembly Floor
SJR 21 (Machado) 2008	This measure would have memorialized the President and Congress of the United States to enact legislation that would increase the federal conforming loan limit.	Support: Bankers, Mortgage Bankers Opposition: None on file	Held in Assembly Banking & Finance Committee.

D. TENANT PROTECTION

Bill	Description of Key Provisions	Support/Opposition	Outcome
<p>AB 603 (Price/Skinner) 2009</p>	<p>This bill would have protected rent-paying tenants living in a foreclosed rental property from being evicted by the acquiring property owner without cause for at least 90 days, as specified, from the time ownership was acquired through the foreclosure sale. The 90 day period would have conformed California law with provisions contained in the federal Protecting Tenants at Foreclosure Act enacted in May 2009.</p>	<p>Support: ACORN, Consumer Union, tenants advocates, Cal PIRG, many others</p> <p>Opposition: Realtors, bankers, Chamber of Commerce, mortgage bankers, apartment associations, others</p>	<p>Died on the Assembly Floor, Inactive file</p>
<p>AB 2586 (Torrice) 2008</p>	<p>This bill would have included a successor in interest who acquired the property through foreclosure in the definition of a "landlord" who is subject to existing tenant protections that prohibit the landlord, for example, from interrupting or terminating a tenant's utility service, changing the locks, or removing a tenant's personal property from the premises.</p> <p>This bill would also have provided that existing law regarding the collection and return of security deposits apply whether the termination of the landlord's interest was voluntary or involuntary and in the case of a trustee's sale.</p> <p>This bill also would have extended current protections requiring utilities, public utilities, and districts to notify tenants of multifamily dwellings of an impending shut-off of utility service to also include tenants living in single-family homes.</p>	<p>Support: Western Center, AACRE, senior advocates, tenant advocates, others</p> <p>Opposition: Bankers, mortgage bankers, credit unions, financial services associations</p>	<p>Vetoed</p>

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<p>SB 483 (Corbett) 2009</p>	<p>This bill would have updated state statutes to reflect recent changes in federal law which in some circumstances may permit tenants in foreclosed residential properties to receive 90 days written notice of eviction, rather than the 60-days under California law. This bill would similarly have revised the content of the notice required to be posted on the foreclosed residential properties.</p>	<p>Support: CRLA, Western Center on Law & Poverty Opposition: None on file</p>	<p>Gutted and amended on the Assembly Floor</p>
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E. OTHER SUBJECTS

Bill	Description of Key Provisions	Support/Opposition	Outcome
AB 1538 (Lieu) 2007	This bill would have allowed the California Housing Finance Agency to accept donations into the California Housing Trust Fund from public or private sources for the purpose of assisting homeowners to refinance home loans with variable interest rates, under specified circumstances, into stable, fixed rate loan products.	None on file	Died in Assembly Appropriations Committee
AB 2161 (Swanson) 2008	This bill would have required the Commissioners of Real Estate and Financial Institutions to report to the Legislature on consumer complaints related to nontraditional mortgage products and loans, as defines, and to report on compliance by real estate brokers, banks and credit unions, respectively.	None on file	Died in Senate Appropriations Committee
AB 2740 (Brownley) 2008	With respect to the servicing of home loans, this bill would have (1) regulated how and when a fee may be imposed by a home loan servicer; (2) required a servicer to respond within specified periods to a borrower's request for information, documents, and dispute resolution and to promptly correct errors; and (3) authorized the recovery of damages by a borrower or other party who is injured by a servicer's violation.	Support: Center for Responsible Lending; ACORN Opposition: Bankers, Chamber of Commerce, Mortgage Associations, others.	Died in Senate Banking, Finance & Insurance Committee

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<p>AB 1720 (Galgiani)</p>	<p>This bill would have amended the Buyer’s Choice Act (AB 957) to bring short sales under the Act, require sellers to provide a specific disclosure form to borrowers to describe their rights under the Act, and prescribe specific actions which must be taken by buyers and sellers in specific circumstances.</p>	<p>Support: Escrow Institute of California (sponsor); AFSCME, CA Association of Realtors.</p> <p>Opposition: Bankers, lenders, title insurers, others.</p>	<p>Failed in Senate Banking, Finance & Insurance Committee.</p>
<p>SB 1054 (Machado)</p>	<p>This bill would have allowed the Department of Real Estate to prohibit, bar or suspend a real estate salesperson or broker from participating in any business activity relating to real estate for up to 36 months.</p>	<p>Support: AFSCME, Realtors, Bankers, Chamber of Commerce, Center for Responsible Lending, State Controller John Chiang, Greenlining Institute</p> <p>Opposition: None on file</p>	<p>Failed in Assembly Banking & Finance Committee.</p>
<p>SB 1178 (Corbett)</p>	<p>This bill would have provided that longstanding deficiency judgment protections for a loan used to pay all or part of the purchase price of real property or an estate for years includes subsequent loans, mortgages, or deeds of trust that refinance or modify the original loan, but only to the extent that the subsequent loan was used to pay debt incurred to purchase the real property.</p>	<p>Support: CA Association of Realtors, Center for Responsible Lending</p> <p>Opposition: Bankers, credit unions, mortgage assn, others.</p>	<p>Vetoed</p>