

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

Action:	Without Recommendation as to Passage and be Referred to the House Rules Committee
Vote:	8 - 2 - 0
Yeas:	Barton, Cowan, Krieger, Matthews, Riley, Tomei, Weidner, Holvey
Nays:	Gilliam, Wingard
Exc.:	0
Prepared By:	Victoria Cox, Administrator
Meeting Dates:	4/14, 4/27

WHAT THE MEASURE DOES: Imposes duties and restrictions on distressed home consultants and requires services to be provided subject to a written contract. Authorizes enforcement by the Attorney General under the Unlawful Trade Practices Act. Declares an emergency; effective on passage.

ISSUES DISCUSSED:

- Current foreclosure rates
- Short sales
- Bankruptcy protection
- Legitimate services provided by distressed home consultants

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Distressed home consultants work with homeowners facing foreclosure to sell their properties (commonly known as “short sales”). In some cases, such sales may preclude the homeowner from filing for bankruptcy protection. HB 3359 imposes a fiduciary duty upon the consultant to protect the best interest of the homeowner. The bill requires consultants to provide written contracts and specifies format and contents including cancellation provisions.