

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	3 - 0 - 2
<b>Yeas:</b>	Burdick, George, Bonamici
<b>Nays:</b>	0
<b>Exc.:</b>	Girod, Rosenbaum
<b>Prepared By:</b>	Lori Brocker, Administrator
<b>Meeting Dates:</b>	2/16, 2/18

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**WHAT THE MEASURE DOES:** States that not later than five days before residential foreclosure, trustee shall file for recording the affidavit of compliance with certain statutory requirements. Requires lender to provide borrower with explanation of how lender calculated that borrower not eligible for loan modification. Presumes compliance with requirement if lender provided information specified for borrower notice in federal program. Requires description of basis for determination of ineligibility in notice. Makes technical changes. Prescribes effective date.

**ISSUES DISCUSSED:**

- Applicable federal law
- Dates for filing and recording
- Amendments
- Potential costs involved in providing evidence to support chain of title
- Potential changes in federal programs and federal directives
- Preemption law

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the measure.

**BACKGROUND:** SB 628 (2009) revised the requirements for notices to be delivered to a borrower upon notice of default on a residential trust deed. SB 628 requires that a beneficiary or beneficiary's agent (lender) send a notice to the grantor (borrower) that the borrower may be eligible for loan modification and may have a meeting to discuss loan modification. The lender must also determine whether the borrower is eligible for a loan modification prior to foreclosure, and provide an affidavit of compliance with the requirements on or before the date of a foreclosure sale. Under current law, the affidavit can be filed immediately prior to the sale or on the same day but *after* the sale.

HB 3610A changes the timing for a trustee to file for recording the affidavit required by SB 628. Instead of allowing that filing to occur on or before the date of the trustee sale of the property, it would need to occur not later than five days before the sale.

HB 3610A requires that additional information be given to a borrower who has requested a loan modification. It requires an explanation from a lender to a borrower if a determination of ineligibility is made. HB 3610A presumes compliance with this requirement if a lender is already providing similar notice to a borrower as required by the Supplemental Directive 09-08, issued under the federal Homes Affordable Modification Program.

2/19/2010 5:06:00 PM