

REVENUE: No revenue impact

FISCAL: No fiscal impact

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Action:	Do Pass
Vote:	9 - 0 - 0
Yeas:	Gilliam, Krieger, Matthews, Riley, Smith J., Tomei, Whisnant, Wingard, Holvey
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/10

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**WHAT THE MEASURE DOES:** Specifies the date by which a trustee must provide an affidavit of compliance with the requirement to meet with a grantor and review the grantor's request to modify a mortgage loan. Declares an emergency and takes effect upon passage.

**ISSUES DISCUSSED:**

- Length of foreclosure process
- Situations where affidavit is filed right before current deadline

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Senate Bill 628 (2009) revised the requirements for notices to be delivered to a borrower upon notice of default on a residential trust deed. The measure required that the lender consider the borrower's circumstances and determine whether they are eligible for a loan modification prior to foreclosure. The lender then must file an affidavit of compliance with this requirement on or before the date of the sale. In cases where the paperwork is filed immediately prior to the sale or on the same day but *after* the sale, it can be problematic for the borrower to raise a claim of non-compliance..

House Bill 3610 specifies that the filing of the affidavit for recording in the official record of the county or counties where the property is located must take place no later than five days prior to the trustee sale of the property.