

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 08/06/2012
POSITION: Neutral

BILL NUMBER: AB 1599
AUTHOR: Feuer, Mike

BILL SUMMARY: Foreclosure Documents: Languages

This bill, effective April 1, 2013 or 90 days following the issuance of summary translations by the Department of Corporations (DOC), which ever comes later, would require a copy of certain foreclosure documents to be provided in English and five specified languages on their Internet web site.

FISCAL SUMMARY

According to the DOC, this bill would have a minor fiscal impact of less than \$2,000 for the preparation of translated documents. Additional compliance verification for examination procedures and Internet website postings would be absorbable within existing resources.

COMMENTS

This bill would have a minor fiscal impact and concerns a policy matter on which we are neutral.

Existing law requires that, upon a breach of the obligation of a mortgage or transfer of an interest in property, the mortgagee, trustee, or beneficiary record a notice of default in the office of the county recorder where the mortgaged or trust property is situated and mail the notice of default to the mortgagor or trustor. Existing law specifies other requirements and procedures for completion of a foreclosure sale, including recording a notice of sale prior to exercising a power of sale and, under specified circumstances, that a summary of mortgage terms be provided to the borrower in one of five specified languages.

This bill would, with respect to residential real property containing no more than four dwelling units:

- Require a notice of default and a notice of sale to contain a summary in English and five specified languages.
- Require a mortgagee, trustee, beneficiary, or authorized agent to provide to the mortgagor or trustor a copy of the notice of default and a copy of the notice of sale containing these summaries.
- Require the DOC to provide a standard summary translation of a notice of default and a notice of sale in those languages, and to make those documents available without charge on its Internet website.
- Specify that any mortgagee, trustee, beneficiary, or authorized agent who provides the department's summary translation shall be in compliance with that provision.

Analyst/Principal () C.Hill	Date	Program Budget Manager Kristin Shelton	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)

AUTHOR

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AB 1599

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
	LA	(Dollars in Thousands)					
	CO	PROP					
	RV	98	FC	2012-2013 FC	2013-2014 FC	2014-2015	
2180/Corporations	SO	No		-----	No/Minor Fiscal Impact	-----	0067
<u>Fund Code</u>	<u>Title</u>						
0067	Corporations Fund, State						