

State of California

MEMORANDUM

To: CalHFA Board of Directors Date: 30 Oct 2012

From: Di Richardson, Director of Legislation 
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Legislative Report

This is the last legislative report for the year, and for the 2011-12 Session. This report may be little repetitive of some reports you have seen in the past, but I wanted it to include information all in a single place where you could easily find it if you need it. As always, please let me know if you have any questions.

Affordable Housing

SB 1220 (DeSaulnier D) - Housing Opportunity and Market Stabilization (HOMeS) Trust Fund Act of 2012.

Status: 6/1/2012-Failed Deadline pursuant to Rule 61(b)(11). (Last location was S. THIRD READING on 5/31/2012)

Summary: This bill would have enacted the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund Act of 2012. The bill would have made legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would have imposed a fee of \$75, to be paid at the time of the recording of almost every real estate instrument, paper, or notice required or permitted by law to be recorded. The bill would have required that revenues from this fee be sent quarterly to the Department of Housing and Community Development for deposit in the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund, which the bill would have created within the State Treasury. The bill would have provided that moneys in the fund are expended for supporting affordable housing, administering housing programs, and the cost of periodic audits.

Bonds

AB 505 (Harkey R) - Housing programs: audits.

Status: 7/6/2012-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. 2

Summary: This bill would have required the Bureau of State Audits, on or before January 1, 2013, and every 4 years thereafter, to conduct a performance audit of all

AB 1585 (John A. Pérez D) - Community development.
Status: 9/29/2012-Chaptered by the Secretary of State, Chapter Number 777, Statutes

Summary: This bill appropriated \$50 million for HCD for the Infill Incentive Grants program and the Transit-Oriented Development Program, both created by Prop 1C. These funds were originally awarded to other projects that were ultimately unable to move forward. This bill also clarifies that housing successor entities for redevelopment agencies are required to adhere to the same requirements of redevelopment law when they spend on planning and administrative costs.

SB 633 (Huff R) - Bonds: fine for unauthorized use.
Status: 7/6/2012-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. B.,P. & C.P. on 6/19/2012)

Summary: This bill would have incorporated into the State General Obligation Bond Law a provision that provides that if the Department of Finance determines that funds from a bond act are expended for a purpose not authorized by the bond act, and the entity that is authorized to allocate funds from the sale of bonds does not take the corrective action or measure prescribed by the department within 60 days of receiving notice of the corrective action or measure from the department, then the Department of Finance may prohibit the entity that was responsible for the unauthorized use from allocating any additional funds from the sale of those bonds.

CalHFA

AB 1551 (Torres D) - Housing.
Status: 9/25/2012-Chaptered by Secretary of State - Chapter 555, Statutes of 2012.

Summary: This bill will allow CalHFA and HCD to permit a downpayment assistance loan to be subordinated to refinancing if needed to avoid foreclosure.

AB 2447 (Skinner D) - California Neighborhood Revitalization Partnership Act of 2012.
Status: 8/17/2012-Failed Deadline pursuant to Rule 61(b)(14). (Last location was S.

Summary: This bill would have established the California Neighborhood Revitalization Partnership Act of 2012, to be administered by the Department of Housing and Community Development, to provide funding to local public agencies or nonprofit corporations for the purchase and improvement of foreclosed or abandoned single-family or multifamily residential properties and for downpayment assistance associated with the resale of an improved property, subject to specified requirements. This program would have been funded by converting funds currently authorized for CHDAP downpayment assistance.

Economic Development

AB 2144 (John A. Pérez D) Local government: infrastructure and revitalization financing districts.

Status: VETOED

Summary: This bill would have authorized the creation of an infrastructure and revitalization financing district, and the issuance of debt with 55% voter approval. The bill would have authorized the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years. The bill would have authorized a district to finance projects in redevelopment project areas, former redevelopment project areas and former military bases. The bill was intended to create a more flexible development tool to finance needed public works projects, while incorporating rigorous accountability measures to ensure local government diligence, positive project results, and healthier community development. Opponents - including the Howard Jarvis Taxpayers Association and the California Association of Realtors, argued that by reducing the voter-approval requirements for the creation of an IFD and for the issuance of bonds, this will reduce input or direct voter oversight for matters affecting their communities.

GOVERNOR'S VETO MESSAGE: Expanding the scope of infrastructure financing districts is premature. This measure would likely cause cities to focus their efforts on using the new tools provided by the measure instead of winding down redevelopment. This would prevent the state from achieving the General Fund savings assumed in this year's budget.

Energy Efficiency

AB 1124 (Skinner D) Landlord and tenant.

Status: 9/27/2012-Chaptered by the Secretary of State, Chapter Number 600, Statutes of 2012

Summary: Existing law requires that any building with a dwelling unit maintain certain characteristics in order to be tenantable, including the maintenance of adequate heating and hot water systems that conform to the standard of quality set by applicable law. This bill would require that these provisions would not be interpreted to prohibit a tenant or owner from qualifying for energy savings assistance programs for repair or replacement of heating or hot water systems. According to the author, this bill clarifies that the habitability requirements for rental housing in the Civil Code have no bearing on public policy goals to increase energy efficiency in residential

HCD

AB 1699 (Torres D) Affordable housing.

Status: 9/29/2012-Chaptered by the Secretary of State, Chapter Number 780, Statutes of 2012

Summary: This bill gives HCD the authority to extend and modernize the loans in its older portfolio through conversion to MHP. Many of these loans were awarded in the late 1990s and are coming close to their term. Once the loan is paid off, the regulatory agreement which requires the units to remain affordable is extinguished.

Many affordable housing providers would like to keep their projects affordable but need to take on additional debt financed with a low interest rate. By extending the loans on those projects this bill could preserve numerous affordable housing units currently in existence.

Insurance

AB 1603 (Feuer D) Mortgages and deeds of trust: mortgage servicers: force-placed insurance.

Status: 9/1/2012-Failed Deadline pursuant to Rule 61(b)(17). (Last location was A. INACTIVE FILE on 8/22/2012)

Summary: The bill would have required, if a borrower's existing hazard, flood, or homeowner's insurance policy is paid through an escrow account, that the mortgage servicer advance payments to continue the borrower's existing policy. The increasing practice of mortgage servicers force-placing insurance on homeowners is one of the more troubling practices associated with the still unfolding foreclosure crisis throughout California and our nation. According to the bills proponents, the idea that servicers can purchase insurance coverage for a property at exorbitant prices and pass the burden of the payments on to struggling families with little or no constraints is completely unacceptable. Homeowners who are teetering on the precipice of foreclosure and bankruptcy must not be pushed over the edge simply to satisfy the desire of bigger profits for servicers or insurance companies when alternative approaches exist to protect the servicers' obligations to bond holders and to preserve the homeowners' goal of keeping their home. Supporters argue that force-placed insurance policies have become an increasingly lucrative business – growing from \$1 billion to \$6 billion annually in just a few short years – for mortgage servicers, who regularly purchase force-placed insurance policies from their own subsidiaries or affiliated companies. Opponents argued that the bill would have created a new body of law and standards for force placed insurers who are already regulated by the California Department of Insurance. Opponents also expresses concerns with the remedies available under the bill, contending that force placed insurers are already

AB 2303 (Committee on Insurance) Insurance omnibus.

Status: 9/29/2012-Chaptered by the Secretary of State, Chapter Number 786, Statutes of 2012

Summary: Establishes a regulatory scheme for the sale of mortgage guaranty insurance, which has superseded "mortgage insurance. Repeals obsolete statutes relating to mortgage insurance. Among other things, the bill repeals existing law establishing "mortgage insurance." These statutes are obsolete because these policies are now issued under separate statutory authority for "mortgage guaranty insurance."

Land Use

AB 710 (Skinner D) Local planning: infill and transit-oriented development.
Status: 9/1/2012-Failed Deadline pursuant to Rule 61(b)(17). (Last location was S. THIRD READING on 9/9/2011)

Summary: This bill would have stated the findings and declarations of the Legislature with respect to parking requirements and infill and transit-oriented development, and would state the intent of the Legislature to reduce unnecessary government regulation and to reduce the cost of development by eliminating excessive minimum parking requirements for infill and transit-oriented development. This bill would have also expressed a legislative finding and declaration that its provisions apply to all cities, including charter cities. According to proponents, this bill would have provided a significant incentive to housing and commercial developers to pursue needed infill and TOD projects. It would have increased in public transportation options and the development of more walkable and bikeable neighborhoods reduce the demand for parking. Relaxing minimum parking requirements allows developers to be more creative and efficient in supplying housing, especially in inner city areas. Opponents argued that a one-size-fits-all approach impedes local discretion in land use decision-making and ignores the fact that every community is different and has different needs. Opponents believe that decisions about parking are best left to the discretion of local governments, who are in a much better position to determine how much parking their community requires.

Landlord Tenant

AB 265 (Ammiano D) Tenancies: unlawful detainer.
Status: 1/31/2012-Failed Deadline pursuant to Rule 61(b)(3). (Last location was 2 YEAR on 6/3/2011)

Summary: This bill would have authorized a residential tenant who has been served the 3 days' notice to redeem a tenancy and continue in lawful possession by tendering to the owner or the owner's agent the amount of rent in arrears, any subsequent rent that has become due, and the reasonable court costs and attorney's fees incurred by the plaintiff in an unlawful detainer action as of the date of tender, in accordance with specified procedures.

AB 1124 (Skinner D) Landlord and tenant.
Status: 9/27/2012-Chaptered by the Secretary of State, Chapter Number 600, Statutes of 2012

Summary: Existing law requires that any building with a dwelling unit maintain certain characteristics in order to be tenable, including the maintenance of adequate heating and hot water systems that conform to the standard of quality set by applicable law. This bill would require that these provisions would not be interpreted to prohibit a tenant or owner from qualifying for energy savings assistance programs for repair or replacement of heating or hot water systems. The PUC's rules for the ESA program prohibit the use of program funds for replacement or repair of heating and cooling systems in multifamily rental apartment buildings. The author argues that more than one-third of ESA-eligible low-income households reside in such buildings,

where the primary energy savings opportunity is to increase the efficiency of these heating and hot water systems. The PUC apply specific principles while maintaining the utilities' flexibility in program design.

AB 1953 (Ammiano D) Rental housing: tenant notice.

Status: 9/28/2012-Chaptered by the Secretary of State, Chapter Number 695, Statutes of 2012

Summary: Existing law requires an owner of a dwelling structure, or a party signing a rental agreement or lease on behalf of the owner, or in the case of an oral rental agreement, the owner or a person acting on behalf of the owner, to provide specified information to a tenant, including, among other things, the name, telephone number, and address of the person or entity to whom rent payments shall be made. Existing law requires a successor owner or manager to comply with these requirements within 15 days of succeeding the previous owner or manager. This bill would prohibit a successor owner or manager from evicting a tenant for nonpayment of rent that accrued during the period of noncompliance by a successor owner or manager with the above-described information requirements. The bill would provide that these provisions would not relieve the tenant of any liability for unpaid rent.

SB 1191 (Simitian D) Landlord-tenant relations: disclosure of notice of default.

Status: 9/25/2012-Chaptered by the Secretary of State, Chapter Number 566, Statutes of 2012

Summary: Existing law generally regulates the hiring of real property, including, among other things, specifying certain obligations imposed on landlords and obligations imposed on tenants. Existing law, until January 1, 2013, requires a tenant of property upon which a notice of sale has been posted to be provided a specified notice advising the tenant that, among other things, the new property owner may either give the tenant a new lease or rental agreement, or provide the tenant with a 60-day eviction notice, and that other laws may prohibit the eviction or provide the tenant with a longer notice before eviction. This bill would, until January 1, 2018, require every landlord who offers for rent a single-family dwelling, or a multifamily dwelling not exceeding 4 units, and who has received a notice of default that has not been rescinded with respect to a mortgage or deed of trust secured by that property to disclose the notice of default in writing to any prospective tenant prior to executing a lease agreement for the property. The bill would provide that a violation of those provisions would allow the tenant to void the lease and entitle the tenant to recovery of one month's rent or twice the amount of actual damages from the landlord, and all prepaid rent, if the tenant voids the lease and vacates the property in addition to any other remedies that are available. The bill would also provide that if the tenant elects not to void the lease and the foreclosure sale has not yet occurred, the tenant may deduct a total amount equal to one month's rent from future rent obligations owed the landlord who received the notice of default. The bill would specify the content of the written disclosure notice, and would require the notice to be provided in English and other languages, as specified. The bill would exempt a property manager from liability for failing to provide the written disclosure notice unless the landlord notified the property manager of the notice of default and directed him or her in writing to deliver the written disclosure. Proponents argued helps ensure that Californians make rental decisions with full and accurate information about the property that may become their home. While it seems like common courtesy to tell someone that the

apartment they're considering is in foreclosure, it's not legally required. As a result, tenants often sign leases only to find out that in just a few days or weeks, the property will be up for auction

Misc.

AB 309 (Cook R) Public officers: removal from office.
Status: 10/7/2011-Chaptered by the Secretary of State, Chapter Number 543, Statutes of 2011

Summary: Under existing law, an office becomes vacant on the occurrence of certain events. Existing law specifies that when a public officer is removed, declared insane, or convicted of a felony or offense involving a violation of his or her official duty, or when his or her election or appointment is declared void, the body or person before whom the proceedings are had is required to give notice thereof to the officer empowered to fill the vacancy. This bill would provide that an appointed or ex officio office becomes vacant where the appointed or ex officio individual has been debarred, suspended, disqualified, or otherwise excluded.

SB 1039 (Steinberg D) State government: Business, Consumer Services, and Housing Agency.

Status: 7/17/2012-Chaptered by the Secretary of State, Chapter Number 147, Statutes of 2012

Summary: This bill would eliminate the State and Consumer Services Agency and instead establish in state government the Business, Consumer Services, and Housing Agency. The bill would make conforming changes necessary to effectuate certain provisions of the Governor's Reorganization Plan No. 2 of 2012. This bill contains other related provisions.

Mortgage Lending

Note: Several of these bills are redundant and duplicative, as many were introduced in both houses. Several of the bills listed below may not have been enacted, but many of their provisions were rolled up into AB 278/SB 900 – the California Homeowner's Bill of Rights.

AB 278/SB 900 (Eng/Leno) Mortgages and deeds of trust: foreclosure
Status: Chaptered by Secretary of State – Chapter 86 and 87, Statutes of 2012

Summary: Enacts the California Homeowner's Bill of Rights. These bills would expand provisions of the recent national settlement between the states Attorneys' General and the nation's five largest servicers, providing those protections and considerations to all borrowers, regardless of who services their loan. Specifically, these bills would, among other things:

- Expand the notice requirements that must be provided to a mortgage borrower prior to filing a notice of default, notice of sale, or taking action on a loan modification application;
- Prohibit a mortgage servicer from "dual tracking" - foreclosing on a home while a borrower is being evaluated for a loan modification;
- Require loan servicers to assign a single point of contact to assist distressed borrowers investigate foreclosure prevention alternatives;
- Provide a process for homeowners that have been denied a modification to appeal that decision if they can demonstrate that the information used in making that decision was not correct;
- Provides a private right of action for borrowers harmed by a loan servicer's intentional, reckless and willful misconduct.

AB 1547 (Eng D) Residential mortgage loans: foreclosure procedures.

Status: 4/27/2012-Failed Deadline pursuant to Rule 61(b)(5). (Last location was A. B. & F.

Summary: Existing law, until January 1, 2013, requires a 30-day notice, as specified, to be given to the borrower of certain home mortgages, as specified, before a mortgagee, trustee, beneficiary, or authorized agent may file a notice of default. Existing law requires the notice of default to include certain information, as specified. Existing law also requires contact with the borrower, as defined, in order to assess the borrower's financial situation and explore options for the borrower to avoid foreclosure. Existing law authorizes a borrower to designate a HUD-certified housing counseling agency, attorney, or other advisor to discuss with the mortgagee, beneficiary, or authorized agent, on the borrower's behalf, options for the borrower to avoid foreclosure. Under existing law, it is a crime to tear down the notice of sale posted on a property within 72 hours of posting. This bill would have deleted the repeal clause for these provisions and thus extend the operation of these provisions indefinitely.

AB 1557 (Skinner D) Real property: maintenance of foreclosed property: violations.

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. B. & F. on 2/9/2012)

Summary: Existing law, until January 1, 2013, requires a legal owner to maintain vacant residential property purchased at a foreclosure sale, or acquired by that owner through foreclosure under a mortgage or deed of trust. Existing law, until January 1, 2013, authorizes a governmental entity to impose civil fines and penalties for failure to maintain that property of up to \$1,000 per day for a violation. Existing law, until January 1, 2013, requires a governmental entity that seeks to impose those fines and penalties to give notice of the claimed violation and an opportunity to correct the violation at least 14 days prior to imposing the fines and penalties, and to allow a hearing for contesting those fines and penalties. This bill would have extended the operation of these provisions until January 1, 2018.

AB 1599 (Feuer D) Mortgages and deeds of trust: foreclosure.

Status: 9/25/2012-Chaptered by Secretary of State - Chapter 556, Statutes of 2012.

Summary: This bill provides that a mortgagee, trustee, beneficiary, or authorized agency to attach any notice of default or notice of sale in English and five specified languages. This requirement becomes operative on April 1, 2013, or 90 days following the issuance of summary translations by the Department of Corporations, whichever occurred later.

AB 1950 (Davis D) Prohibited business practices: enforcement.

Status: 9/25/2012-Chaptered by Secretary of State - Chapter 569, Statutes of 2012.

Summary: Existing law prohibits any person from engaging in the business of, acting in the capacity of, advertising as, or assuming to act as, a real estate broker or a real estate salesperson without first obtaining a real estate license, as specified. This bill would additionally prohibit any person from engaging in the business of, acting in the capacity of, advertising as, or assuming to act as, a mortgage loan originator without having obtained a license endorsement, as specified. This bill is intended to expand consumer protection related to mortgage fraud by making permanent certain prohibitions on mortgage loan origination, increasing the power of the California Office of the Attorney General to prosecute alleged fraud, and imposing a new \$25 recordation fee on notices of default to fund further anti-fraud efforts by the Attorney General.

AB 2314 (Carter D) Real property: blight.

Status: 8/27/2012-Chaptered by Secretary of State - Chapter 201, Statutes of 2012.

Summary: Existing law, until January 1, 2013, requires a legal owner to maintain vacant residential property purchased at a foreclosure sale or acquired by that owner through foreclosure under a mortgage or deed of trust. Existing law, until January 1, 2013, authorizes a governmental entity to impose civil fines and penalties for failure to maintain that property of up to \$1,000 per day for a violation. Existing law, until January 1, 2013, requires a governmental entity that seeks to impose those fines and penalties to give notice of the claimed violation and an opportunity to correct the violation at least 14 days prior to imposing the fines and penalties, and to allow a hearing for contesting those fines and penalties. This bill extends those provisions indefinitely.

AB 2425 (Mitchell D) Mortgages and deeds of trust: foreclosure.

Status: 4/27/2012-Failed Deadline pursuant to Rule 61(b)(5). (Last location was A. B. & F. on 4/10/2012)

Summary: This bill would have defined a mortgage servicer, and would, commencing July 1, 2013, require a mortgage servicer to establish a single point of contact when a borrower on a residential mortgage or deed of trust is 60 or more days delinquent, has had a notice of default recorded, or is seeking a loan modification or other loss mitigation. The bill would have imposed various obligations on the single point of contact in connection with loan modification or other loss mitigation options.

AB 2528 (John A. Pérez D) Mortgages and deeds of trust: foreclosure: military members.
Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. JUD. on 4/9/2012)

Summary: This bill would have required that in order for a notice of default to be recorded, it must include a declaration stating that the mortgagee, trustee, or authorized agent contacted the borrower to determine if the borrower is an active duty servicemember, and if the borrower is an active duty servicemember, or was an active duty servicemember 90 days prior to the date the notice of default is to be recorded, that the mortgagee, trustee, or authorized agent has complied with the federal Servicemembers Civil Relief Act .

AB 2532 (Wagner R) Mortgages and deeds of trust: foreclosure.
Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. PRINT on 2/24/2012)

Summary: Existing law regulates the terms and conditions of mortgages and deeds of trust secured by real property. Existing law provides that a mortgagee, trustee, beneficiary, or authorized agent may not file a notice of default until 30 days after initial contact with the borrower is made, as specified, or 30 days after satisfying specified due diligence requirements.

AB 2610 (Skinner D) Tenants: foreclosure and unlawful detainer.
Status: 9/25/2012-Chaptered by Secretary of State - Chapter 562, Statutes of 2012.

Summary: Existing law requires a notice of sale to be posted before any power of sale can be exercised under the power of sale contained in any deed of trust or mortgage. Existing law, until January 1, 2013, requires a resident of property upon which a notice of sale has been posted to be provided a specified notice advising the resident that, among other things, if the person is renting the property, the new property owner may either give the tenant a new lease or rental agreement, or provide the tenant with a 60-day eviction notice, and that other laws may prohibit the eviction or provide the tenant with a longer notice before eviction. Existing law makes it an infraction to tear down the notice within 72 hours of posting. Existing law requires a state government entity to make translations of the notice available in 5 specified languages, for use by a mortgagee, trustee, beneficiary, or authorized agent, in order to satisfy the notice requirements. This bill would revise certain portions of the notice to instead require a resident of property upon which a notice of sale has been posted to be advised that if the person is renting the property, the new property owner may either give the tenant a new lease or rental agreement, or provide the tenant with a 90-day eviction notice. The bill would require the notice to advise a tenant who has a lease that the new property owner is required to honor the lease unless the new owner will occupy the property as a primary residence or under other limited circumstances. The bill would require the Department of Consumer Affairs to make translations of the notice available, as described above. The bill would provide that these changes to the notice would become operative on March 1, 2013, or 60 days following posting of a dated notice incorporating those amendments on the Department of Consumer Affairs Internet Web site, whichever date is later. The bill would extend the operation of these provisions until December 31, 2019. According to the author, "as more and more homes are sold through foreclosure, tenants increasingly face the specter of sudden dislocation of themselves, their

families and their belongings. Renters usually are the last to know of foreclosure." The inconsistencies in state and federal law have created confusion for tenants. Additionally the standard for determining whether a tenant's lease is "bona fide" and therefore must be honored by a successor in interest is vague and does not well defined.

SB 980 (Vargas D) Mortgage loans.

Status: 9/25/2012-Chaptered by the Secretary of State, Chapter Number 563, Statutes of 2012

Summary: Existing law, until January 1, 2013, prohibits any person who negotiates, attempts to negotiate, arranges, attempts to arrange, or otherwise offers to perform residential mortgage loan modifications for mortgages and deeds of trust secured by real property containing 4 or fewer dwelling units, or other forms of mortgage loan forbearance for a fee paid by the borrower, from demanding or receiving any preperformance compensation, requiring collateral to secure payment, or taking a power of attorney from the borrower. Existing law makes the violation of those provisions a crime and, with respect to an attorney, cause for imposition of discipline. This bill would extend the operation of those provisions until January 1, 2017.

SB 1069 (Corbett D) Deficiency judgments. Status: 7/9/2012-Chaptered by the Secretary of State, Chapter Number 64, Statutes of 2012

Summary: Under current case law, protection from deficiency judgment is lost when a loan is refinanced. Borrowers are generally unaware that refinancing results in this change, which puts borrowers at risk of greater exposure. SB 1069 will afford crucial protections for borrowers by providing deficiency protection on refinanced loans.

SB 1470 (Leno D) Mortgages and deeds of trust: foreclosure.

Status: 4/27/2012-Failed Deadline pursuant to Rule 61(b)(5). (Last location was S. B. & F. I. on 4/10/2012)

Summary: Existing law, until January 1, 2013, requires a mortgagee, trustee, beneficiary, or authorized agent to contact the borrower prior to filing a notice of default to explore options for the borrower to avoid foreclosure, as specified. Existing law requires a notice of default to include a declaration stating that the trustee, beneficiary, or authorized agent has contacted the borrower, or has tried with due diligence to contact the borrower, or that no contact was required for a specified reason. This bill would additionally require the borrower to be provided, if applicable, with a deadline for the borrower to submit an initial application for a loan modification. The bill would require the declaration to also state that the borrower was not a servicemember or dependent of a servicemember entitled to benefits under the federal Servicemembers Civil Relief Act, that the mortgagee, trustee, beneficiary, or authorized agent has possession of the note and mortgage, or deed of trust, and other specified documents that evidence the right to foreclose, and has attached copies thereof to the declaration, as specified, or a separate declaration containing specified information, if the above described documents cannot be located. The bill would prescribe procedures and notices that must be sent by the mortgagee, trustee, beneficiary, or authorized agent if the notice of default was filed prior to January 1, 2013, and a notice of rescission was not subsequently recorded. The bill would

prohibit recording a notice of default unless a specified written notice has been sent at least 14 days before a notice of default is recorded.

SB 1471 (DeSaulnier D) Mortgages and deeds of trust: foreclosure.
Status: 4/27/2012-Failed Deadline pursuant to Rule 61(b)(5). (Last location was S. B. & F. I. on 4/10/2012)

Summary: Existing law prescribes foreclosure procedures, including, among other things, procedures for recording a notice of default, recording a notice of sale, and conducting a foreclosure sale. This bill would define a mortgage servicer, and would, commencing July 1, 2013, require a mortgage servicer to establish a single point of contact when a borrower on a residential mortgage or deed of trust is 60 or more days delinquent, has had a notice of default recorded, or is seeking a loan modification or other loss mitigation, as specified. The bill would impose various obligations on the single point of contact in connection with loan modification or other loss mitigation options.

SB 1472 (Pavley D) Real property: blight.
Status: 9/1/2012-Failed Deadline pursuant to Rule 61(b)(17). (Last location was A. INACTIVE FILE on 8/27/2012)

Summary: Existing law, until January 1, 2013, requires a legal owner to maintain vacant residential property purchased at a foreclosure sale or acquired by that owner through foreclosure under a mortgage or deed of trust. Existing law, until January 1, 2013, authorizes a governmental entity to impose civil fines and penalties for failure to maintain that property of up to \$1,000 per day for a violation. Existing law, until January 1, 2013, requires a governmental entity that seeks to impose those fines and penalties to give notice of the claimed violation and an opportunity to correct the violation at least 14 days prior to imposing the fines and penalties, and to allow a hearing for contesting those fines and penalties. This bill would delete the repeal clause for these provisions and thus extend the operation of these provisions indefinitely.

SB 1473 (Hancock D) Tenants: foreclosure and unlawful detainer.
Status: 9/1/2012-Failed Deadline pursuant to Rule 61(b)(17). (Last location was A. INACTIVE FILE on 8/30/2012)

Summary: Would have required purchasers of foreclosed homes to honor the terms of existing leases and given tenants at least 90 days notice before commencing eviction proceedings.

Redevelopment

SB 654 (Steinberg D) Redevelopment.
Status: 7/6/2012-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. H. & C.D. on 4/16/2012)

Summary: Existing law suspends various activities of redevelopment agencies and prohibits the agencies from incurring indebtedness for a specified period. Existing law also dissolves redevelopment agencies and community development agencies, as of October 1, 2011, and designates successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, repay enforceable obligations, as defined, and to remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller for distribution to taxing entities. This bill would revise the definition of the term "enforceable obligation" and modify provisions relating to the transfer of housing funds and responsibilities associated with dissolved redevelopment agencies. The bill would provide that any amounts on deposit in the Low and Moderate Income Housing Fund of a dissolved redevelopment agency be transferred to specified entities. The bill would make conforming changes. This bill contains other related provisions and other existing laws.

SB 986 (Dutton R) Redevelopment: bond proceeds.
Status: 9/1/2012-Failed Deadline pursuant to Rule 61(b)(17). (Last location was S. THIRD READING on 5/31/2012)

Summary: Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law requires that successor entities perform certain duties, including, among others, remitting unencumbered funds of that agency to the county auditor-controller, and overseeing the use of bond proceeds. Existing law requires each successor agency to have an oversight board that is composed of 7 members who meet certain qualifications. Existing law requires the oversight board to approve certain actions of the successor agency. This bill would require that unencumbered balances of funds that are derived from tax exempt bond proceeds be used in accordance with the requirements of this bill. The bill would also require that the proceeds of bonds issued by a former redevelopment agency on or before December 31, 2010, be used by the successor agency for the purposes for which the bonds were sold pursuant to an enforceable obligation, as defined, that was entered into by the former redevelopment agency prior to its dissolution. The bill would also provide that if the bond proceeds are not subject to an enforceable obligation, or if the purpose for which the bonds were sold can no longer be achieved, then the bond proceeds shall be used to defease the bonds or to purchase outstanding bonds on the open market for cancellation.

SB 1151 (Steinberg D) Sustainable Economic Development and Housing Trust Fund: long-range asset management plan.
Status: 7/6/2012-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. H. & C.D. on 6/15/2012)

Summary: Would have established Sustainable Economic Development and Housing Trust Funds to serve as repositories for the assets of the former redevelopment agencies, including cash, liquid investments, and real and personal property expected to be valued in the billions of dollars. City and county joint powers authorities would manage these trusts for future economic development and housing activities.

SB 1156 (Steinberg D) Sustainable Communities Investment Authority.

Status: 9/29/2012-Vetoed by the Governor

Summary: The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies. This bill would authorize certain public entities of a Sustainable Communities Investment Area, as described, to form a Sustainable Communities Investment Authority (authority) to carry out the Community Redevelopment Law in a specified manner. The bill would require the authority to adopt a Sustainable Communities Investment Plan for a Sustainable Communities Investment Area and authorize the authority to include in that plan a provision for the receipt of tax increment funds provided that certain economic development and planning requirements are met. The bill would authorize the legislative body of a city or county forming an authority to dedicate any portion of its net available revenue, as defined, to the authority through its Sustainable Communities Investment Plan. The bill would require the authority to contract for an independent financial and performance audit every 5 years.

Governor's Veto Message: I prefer to take a constructive look at implementing this type of program once the winding down of redevelopment is complete and General Fund savings are achieved. At that time, we will be in a much better position to consider new investment authority. I am committed to working with the Legislature and interested parties on the important task of revitalizing our communities.

SB 1157 (Berryhill R) Redevelopment: successor agencies: duties.

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. RLS. on 3/1/2012)

Summary: The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation successor agencies to act as successor entities to the dissolved redevelopment agencies. Existing law requires a successor agency to, among other things, continue to make payments due for enforceable obligations, remit unencumbered balances to the auditor-controller for distribution, and dispose of assets, as directed. This bill would make technical, nonsubstantive changes to the provisions of law relating to the duties of the successor agency.