



# Homeownership Program Bulletin

**August 4, 2006**

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**To: CalHFA Approved Lenders and Servicers**

## **Summary of Changes to California Civil Code 2924 Regarding Trustee Sales Relating to Servicing of CalHFA Loans**

Assembly Bill No. 885, approved by the Governor and filed with the Secretary of State September 6, 2005, amends California Civil Code section 2924b to modify the definition of "last known address" for purposes of mailing copies of notices of default and notices of trustee sales to entitled parties.

"Last known address" of each trustor or mortgagor means the last business or residence physical address actually known by the mortgagee, beneficiary, trustee, or other person authorized to record the notice of default. For these purposes, an address is "actually known" if it is contained in the original deed of trust or mortgage, or in any subsequent written notification of a change of physical address for the trustor or mortgagor pursuant to the deed of trust or mortgage. "Physical address" does not include an e-mail or any form of electronic address for a trustor or mortgagor. The beneficiary shall inform the trustee of the trustor's last address actually known by the beneficiary.

The amendment to California Civil Code section 2924g also makes changes regarding the postponement of trustee sales. Existing law allows a maximum of 3 postponements of the trustee sale and then requires a new notice of sale to be given before any further sale may be scheduled. However, additional postponements are allowed if by operation of law or by mutual agreement of any trustor and any beneficiary and these postponements are not counted in determining the maximum number of postponements permitted without giving a new notice of sale.

AB 885 changes existing law by permitting any number of postponements of the sale proceedings at any time prior to the completion of the sale, for any period of time not to exceed a total of 365 days from the date set forth in the notice of sale, regardless of whether the postponements were due to operation of law, mutual agreement, discretion of the trustee, or instruction by the beneficiary. Any postponements beyond the 365-day period would require a new notice of sale to be given before any further sale proceedings may be scheduled.

Servicers are reminded that in addition to complying with Civil Code, any postponement of a trustee sale for more than twenty-four (24) hours, unless due to bankruptcy or other operation of law, must be approved by CalHFA.

Servicers are urged to review the entirety of AB 885, and to work with legal counsel to assure compliance. All CalHFA Servicers are expected to comply with these new requirements, will bear the risk and expense resulting from any failure to do so, and shall be required to indemnify and defend CalHFA from any claim or action resulting from the Servicer's failure to comply when acting on CalHFA's behalf in its role as Beneficiary.

For questions about this bulletin, contact CalHFA Homeownership Programs by phone 916.324.8088; by fax 916.324.6589; by email at [homeownership@calhfa.ca.gov](mailto:homeownership@calhfa.ca.gov) and you can always visit CalHFA's web site at: [www.calhfa.ca.gov](http://www.calhfa.ca.gov)

Please send all loan files and documents to:  
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