HOUSE RESEARCH
Bill Summary

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Overview

This bill modifies various procedures and notification requirements related to mortgage foreclosure and sheriff's sales.

Section

1   **Grounds.** Requires a person holding over on a property subject to possession by eviction to receive two-month's written notice before the eviction, if the person holding over was a tenant during the redemption period and the lease began after the mortgage was executed but before the redemption or termination period expired.

Current law only requires this notice if the person holding over on the property entered into a lease after the date of notice of foreclosure or contract for deed cancellation on the property.

2   **Foreclosure prevention counseling.** Clarifies the applicability of notice requirements related to foreclosure prevention counseling. For the requirements to apply, one of the dwelling units on a piece of property must be the owner's principal place of residence, as of the date a notice of pendency is recorded.

3   **Foreclosure prevention counseling.** Modifies certain terminology related to the notice of opportunity for foreclosure prevention counseling.

This section also eliminates the requirement that the notice be provided when a written notice of default is provided by a financial institution under the terms of the mortgage, but provides that concurrent delivery of the notices is permissible.

4   **Foreclosure data.** Provides that certain provisions related to foreclosure data collection only apply to foreclosure of mortgages on property that contain between one and four dwelling units.

This section is effective the day following final enactment.

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5   **Notice requirements.** Requires that a notice of foreclosure contain the date and time by which the property must be vacated if the mortgage is not reinstated or redeemed. This provision only applies where the property is an owner-occupied, single-family dwelling.

6   **Foreclosure advice notice.** Clarifies the applicability of the foreclosure advice notice requirements. For the requirements to apply, one of the dwelling units on a piece of property must be the owner's principal place of residence, as of the date a notice of pendency is recorded.

7   **Foreclosure advice notice to tenant.** Provides that the foreclosure advice notice requirement for tenants applies to mortgages on property where one or more of the units on the property are occupied as a residence by a tenant.

8   **Postponement of sheriff's sale.** Requires a party conducting a foreclosure which requests postponement of a sheriff's sale to provide certain notices, at the party's own expense.

A notice of the postponement and date of rescheduled sale, if known, must be published in the newspaper and, within three days of the postponed sale, sent to the occupants of the property. A notice sent to an occupant must also specify the date and time by which the occupants must vacate the property if it is not redeemed or the mortgage reinstated.

The same notice must be published and mailed to any occupants of the property if a date for the rescheduled sheriff's sale is established after the original notice of postponement is published and mailed.

9   **Evidence of sale.** Permits a person to use as evidence of a sale of foreclosed property an affidavit by the person foreclosing a mortgage, that person's attorney, or another person with knowledge of the facts, stating that all required notices have been provided.

This section also requires that affidavits and returns used to demonstrate the sale of foreclosed property must be recorded by the registrar of titles, in addition to the current requirement that they be recorded by the county recorder.