

HOUSE RESEARCH

Bill Summary

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In 2008, a law was enacted that requires, among other things, that a party entitled to foreclose on a property provide notice to the mortgagor of the opportunity to seek foreclosure prevention counseling. The law required that notice be provided to an authorized foreclosure prevention agency within one week after sending the applicable notice to the mortgagor.

This bill further specifies the form and content of the notice requirement to the foreclosure prevention agency. The notice would be required to be transmitted in the form of a non-proprietary database or spreadsheet, and sent by secure electronic mail. The notice must contain additional contact information for the mortgagor, if known. If the database or spreadsheet can not be transmitted by secure electronic mail, it must be sent by standard mail.

The notice would also be required to include the name and contact information of an agent of the mortgagee authorized to discuss and negotiate resolution of the mortgagor's default, and the name and contact information of the mortgagee's loss mitigation department manager.

A sale would not be invalidated by failure to comply with the requirements of this bill, as long as the mortgagee makes a good faith effort or a bona fide error in attempting to provide the data.

The bill also repeals two subdivisions of statute that would become unnecessary if the substantive provisions of the bill are enacted.

The bill would apply to foreclosures for which notice would be required under this section on or after August 1, 2010.