

FINAL BILL REPORT

SSB 6711

C 322 L 08

Synopsis as Enacted

Brief Description: Creating the smart homeownership choices program.

Sponsors: Senate Committee on Consumer Protection & Housing (originally sponsored by Senators Kauffman, Kilmer, Kohl-Welles, Keiser and Kline).

Senate Committee on Consumer Protection & Housing

Senate Committee on Ways & Means

House Committee on Insurance, Financial Services & Consumer Protection

House Committee on Appropriations

Background: In September of 2007 the Governor convened the Task Force for Homeowner Security to evaluate instability in the national subprime mortgage market and to make recommendations to minimize the impact of this national trend in Washington.

As one of its many recommendations, the Task Force recommended providing grants or loans to assist low- and moderate-income homeowners who are delinquent on their mortgage payments, to bring their loan current to be eligible to refinance into a different loan product.

Draft legislation creating the Smart Homeownership Choices program was submitted as part of the final task force report in December 2007.

Summary: The Smart Homeownership Choices program is created to assist low-and moderate-income households facing foreclosure.

The program is created within the Department of Financial Institutions, administered by the Washington State Housing Finance Commission (Commission).

The Commission will assist homeowners who are delinquent on their mortgage payments to bring their mortgage payments current in order to refinance into a different loan product. Homeowners must repay any funds received at the time of refinancing, and the homeowner must participate in a mortgage counseling program.

Funds may also be used for outreach activities to raise awareness of the program.

The Smart Homeownership Choices account is created in the custody of the State Treasurer. State appropriated funds may be used only to serve low-income households. Contributions from private and other sources may be used to serve both low-and moderate-income households.

Votes on Final Passage:

Senate	48	0	
House	58	36	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008