
SUBSTITUTE HOUSE BILL 2623

State of Washington

61st Legislature

2010 Regular Session

By House Judiciary (originally sponsored by Representatives Orwall, Miloscia, Darneille, Kirby, Sullivan, Pettigrew, Simpson, Rolfes, and Hasegawa)

READ FIRST TIME 02/03/10.

1 AN ACT Relating to the foreclosure of residential real property;
2 creating a new section; and providing an expiration date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) In an effort to reduce the number of
5 residential foreclosures while protecting the interests of both
6 borrowers and beneficiaries, the department of financial institutions
7 shall:

8 (a) Conduct a review of the effectiveness of RCW 61.24.031, which
9 requires a beneficiary or authorized agent to contact the borrower
10 before issuing a notice of default for the purposes of assessing the
11 borrower's financial ability to repay the debt and discussing
12 alternatives to foreclosure. The department's review of the process
13 shall, at a minimum, examine whether the contact requirement has
14 resulted in an increase in the number of loan modifications and whether
15 additional statutory provisions, such as mandatory mediation, are
16 needed to produce effective communication between beneficiaries and
17 borrowers;

18 (b) Evaluate the feasibility of a temporary foreclosure forbearance

1 program for borrowers who have been consistent in their payments but
2 due to recent unemployment face possible foreclosure and for borrowers
3 who face possible foreclosure based on property tax liens;

4 (c) Review whether borrowers have brought court claims to enjoin
5 foreclosures based on changes enacted in 2009 to the foreclosure
6 process, and review the outcomes of those cases; and

7 (d) Identify additional sources of funds for mortgage assistance.

8 (2) The department of financial institutions shall report its
9 findings and any recommendations for legislation to the appropriate
10 committees of the legislature by November 30, 2010.

11 (3) This section expires January 1, 2011.

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