
Ways & Means Committee

HB 2119

Brief Description: Requiring another one-time sum due by beneficiaries for reporting certain notices of default.

Sponsors: Representatives Orwall, Hope, Eddy, Hunter, Rodne and Pedersen.

Brief Summary of Bill

- Requires certain beneficiaries to remit to the Department of Commerce payments based on the number of owner-occupied residential real properties that have been issued notices of default between the effective date of the bill and June 30, 2011.

Hearing Date: 5/20/11

Staff: Andy Toulon (786-7178).

Background:

During the 2011 Regular Session, the Legislature enacted Second Substitute House Bill 1362 (2SHB 1362) which makes numerous changes to the deeds of trust foreclosure process. There is a mechanism in 2SHB 1362 that provides funding for implementing provisions of the bill, including increasing the number of housing counselors and attorneys available to assist individuals at risk of default, establishing a foreclosure mediation program, enforcing new consumer protection requirements, and conducting homeowner prepurchase and postpurchase outreach and education programs. Although the foreclosure mediation program and other provisions do not take effect until July 22, 2011, the provisions creating the funding mechanism took effect April 14, 2011.

Second Substitute House Bill 1362 provides that no later than 30 days after April 14, 2011, certain beneficiaries must remit to the Department of Commerce (COM) a lump sum payment of \$250 per owner-occupied residential real property for which the beneficiary has issued a notice of default during the three months prior to April 14, 2011. That remittance period covers notices of default issued during the period of mid-February through mid-April.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In addition, 2SHB 1362 provides that beginning October 1, 2011, and every quarter thereafter, certain beneficiaries must remit to the COM a lump sum payment based on the number of properties for which a notice of default is issued during the previous quarter. The October 1, 2011, remittance requirement covers the period from July 1 through September 30, 2011.

There is no remittance requirement for the period between mid-April and June 30, 2011.

The reporting and remitting requirements do not apply to financial institutions and loan servicers that have issued fewer than 250 notices of default in the preceding year, or to association beneficiaries.

Summary of Bill:

The beneficiaries required to remit payments to the COM must make a one-time sum payment of \$250 per owner-occupied residential real property for which notices of default were issued from the effective date of this section through June 30, 2011. Beneficiaries must remit the one-time sum by July 31, 2011.

Appropriation: None.

Fiscal Note: Requested on May 19, 2011.

Effective Date: The bill contains an emergency clause and takes effect immediately.