

SENATE BILL REPORT

SHB 2119

As of Second Reading

Title: An act relating to sums due by beneficiaries for reporting certain notices of default.

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

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Orwall, Hope, Eddy, Hunter, Rodne and Pedersen).

Brief History: Passed House: 5/21/11, 65-22; 63-24 (reconsidered).

Committee Activity:

Staff: Edward Redmond (786-7471)

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.

2SHB 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 the number of properties receiving notices of default during the period of mid-February through mid-April.

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.

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.

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 April 14, 2011, through June 30, 2011. Beneficiaries must remit the one-time sum by July 31, 2011.

Appropriation: None.

Fiscal Note: Requested on May 19, 2011.
[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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