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HOUSE BILL 2718

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State of Washington                      62nd Legislature                      2012 Regular Session

By Representatives Billig and Maxwell

Read first time 01/26/12. Referred to Committee on Judiciary.

1            AN ACT Relating to protecting short sale sellers from payment of  
2 forgiven home loan debt if such debt forgiveness is reported to the  
3 internal revenue service; and adding a new section to chapter 61.24  
4 RCW.

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

6            NEW SECTION.    **Sec. 1.** A new section is added to chapter 61.24 RCW  
7 to read as follows:

8            If any beneficiary accepts a seller's written offer for the sale of  
9 residential real property for which the sale's proceeds are  
10 insufficient to pay in full the obligation owed to the beneficiary of  
11 a deed of trust encumbering the residential real property, and the  
12 seller subsequently reports to the internal revenue service that as a  
13 consequence of the sale the beneficiary has cancelled all or a portion  
14 of the obligation owed by the seller to the beneficiary, the  
15 beneficiary or assignee of the beneficiary may not bring an action or  
16 otherwise seek payment for the amount previously owed by the seller  
17 that was reported to the internal revenue service.

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