
SENATE BILL 6070

State of Washington

62nd Legislature

2012 Regular Session

By Senators Kline, Frockt, Harper, Keiser, and Shin

Read first time 01/11/12. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to recording residential real property; and
2 amending RCW 61.24.030 and 65.08.070.

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

4 **Sec. 1.** RCW 61.24.030 and 2011 c 58 s 4 are each amended to read
5 as follows:

6 It shall be requisite to a trustee's sale:

7 (1) That the deed of trust contains a power of sale;

8 (2) That the deed of trust contains a statement that the real
9 property conveyed is not used principally for agricultural purposes;
10 provided, if the statement is false on the date the deed of trust was
11 granted or amended to include that statement, and false on the date of
12 the trustee's sale, then the deed of trust must be foreclosed
13 judicially. Real property is used for agricultural purposes if it is
14 used in an operation that produces crops, livestock, or aquatic goods;

15 (3) That a default has occurred in the obligation secured or a
16 covenant of the grantor, which by the terms of the deed of trust makes
17 operative the power to sell;

18 (4) That no action commenced by the beneficiary of the deed of
19 trust is now pending to seek satisfaction of an obligation secured by

1 the deed of trust in any court by reason of the grantor's default on
2 the obligation secured: PROVIDED, That (a) the seeking of the
3 appointment of a receiver shall not constitute an action for purposes
4 of this chapter; and (b) if a receiver is appointed, the grantor shall
5 be entitled to any rents or profits derived from property subject to a
6 homestead as defined in RCW 6.13.010. If the deed of trust was granted
7 to secure a commercial loan, this subsection shall not apply to actions
8 brought to enforce any other lien or security interest granted to
9 secure the obligation secured by the deed of trust being foreclosed;

10 (5) That the deed of trust, including every assignment and
11 transfer, has been recorded in each county in which the land or some
12 part thereof is situated;

13 (6) That prior to the date of the notice of trustee's sale and
14 continuing thereafter through the date of the trustee's sale, the
15 trustee must maintain a street address in this state where personal
16 service of process may be made, and the trustee must maintain a
17 physical presence and have telephone service at such address;

18 (7)(a) That, for residential real property, before the notice of
19 trustee's sale is recorded, transmitted, or served, the trustee shall
20 have proof that the beneficiary is the owner of any promissory note or
21 other obligation secured by the deed of trust. A declaration by the
22 beneficiary made under the penalty of perjury stating that the
23 beneficiary is the actual holder of the promissory note or other
24 obligation secured by the deed of trust shall be sufficient proof as
25 required under this subsection.

26 (b) Unless the trustee has violated his or her duty under RCW
27 61.24.010(4), the trustee is entitled to rely on the beneficiary's
28 declaration as evidence of proof required under this subsection.

29 (c) This subsection (7) does not apply to association beneficiaries
30 subject to chapter 64.32, 64.34, or 64.38 RCW;

31 (8) That at least thirty days before notice of sale shall be
32 recorded, transmitted, or served, written notice of default shall be
33 transmitted by the beneficiary or trustee to the borrower and grantor
34 at their last known addresses by both first-class and either registered
35 or certified mail, return receipt requested, and the beneficiary or
36 trustee shall cause to be posted in a conspicuous place on the
37 premises, a copy of the notice, or personally served on the borrower
38 and grantor. This notice shall contain the following information:

1 (a) A description of the property which is then subject to the deed
2 of trust;

3 (b) A statement identifying each county in which the deed of trust
4 is recorded and the document number given to the deed of trust upon
5 recording by each county auditor or recording officer;

6 (c) A statement that the beneficiary has declared the borrower or
7 grantor to be in default, and a concise statement of the default
8 alleged;

9 (d) An itemized account of the amount or amounts in arrears if the
10 default alleged is failure to make payments;

11 (e) An itemized account of all other specific charges, costs, or
12 fees that the borrower, grantor, or any guarantor is or may be obliged
13 to pay to reinstate the deed of trust before the recording of the
14 notice of sale;

15 (f) A statement showing the total of (d) and (e) of this
16 subsection, designated clearly and conspicuously as the amount
17 necessary to reinstate the note and deed of trust before the recording
18 of the notice of sale;

19 (g) A statement that failure to cure the alleged default within
20 thirty days of the date of mailing of the notice, or if personally
21 served, within thirty days of the date of personal service thereof, may
22 lead to recordation, transmittal, and publication of a notice of sale,
23 and that the property described in (a) of this subsection may be sold
24 at public auction at a date no less than one hundred twenty days in the
25 future;

26 (h) A statement that the effect of the recordation, transmittal,
27 and publication of a notice of sale will be to (i) increase the costs
28 and fees and (ii) publicize the default and advertise the grantor's
29 property for sale;

30 (i) A statement that the effect of the sale of the grantor's
31 property by the trustee will be to deprive the grantor of all their
32 interest in the property described in (a) of this subsection;

33 (j) A statement that the borrower, grantor, and any guarantor has
34 recourse to the courts pursuant to RCW 61.24.130 to contest the alleged
35 default on any proper ground;

36 (k) In the event the property secured by the deed of trust is
37 owner-occupied residential real property, a statement, prominently set
38 out at the beginning of the notice, which shall state as follows:

1 "You should take care to protect your interest in your home. This
2 notice of default (your failure to pay) is the first step in a process
3 that could result in you losing your home. You should carefully review
4 your options. For example:

5 Can you pay and stop the foreclosure process?

6 Do you dispute the failure to pay?

7 Can you sell your property to preserve your equity?

8 Are you able to refinance this loan or obligation with a new loan
9 or obligation from another lender with payments, terms, and fees that
10 are more affordable?

11 Do you qualify for any government or private homeowner assistance
12 programs?

13 Do you know if filing for bankruptcy is an option? What are the
14 pros and cons of doing so?

15 Do not ignore this notice; because if you do nothing, you could
16 lose your home at a foreclosure sale. (No foreclosure sale can be held
17 any sooner than ninety days after a notice of sale is issued and a
18 notice of sale cannot be issued until thirty days after this notice.)
19 Also, if you do nothing to pay what you owe, be careful of people who
20 claim they can help you. There are many individuals and businesses
21 that watch for the notices of sale in order to unfairly profit as a
22 result of borrowers' distress.

23 You may feel you need help understanding what to do. There are a
24 number of professional resources available, including home loan
25 counselors and attorneys, who may assist you. Many legal services are
26 lower-cost or even free, depending on your ability to pay. If you
27 desire legal help in understanding your options or handling this
28 default, you may obtain a referral (at no charge) by contacting the
29 county bar association in the county where your home is located. These
30 legal referral services also provide information about lower-cost or
31 free legal services for those who qualify. You may contact the
32 Department of Financial Institutions or the statewide civil legal aid
33 hotline for possible assistance or referrals"; and

34 (1) In the event the property secured by the deed of trust is
35 residential real property, the name and address of the owner of any
36 promissory notes or other obligations secured by the deed of trust and
37 the name, address, and telephone number of a party acting as a servicer
38 of the obligations secured by the deed of trust; and

1 (9) That, for owner-occupied residential real property, before the
2 notice of the trustee's sale is recorded, transmitted, or served, the
3 beneficiary has complied with RCW 61.24.031 and, if applicable, RCW
4 61.24.163.

5 **Sec. 2.** RCW 65.08.070 and 1927 c 278 s 2 are each amended to read
6 as follows:

7 (1) A conveyance of real property, when acknowledged by the person
8 executing the same (the acknowledgment being certified as required by
9 law), may be recorded in the office of the recording officer of the
10 county where the property is situated. Every such conveyance not so
11 recorded is void as against any subsequent purchaser or mortgagee in
12 good faith and for a valuable consideration from the same vendor, his
13 heirs or devisees, of the same real property or any portion thereof
14 whose conveyance is first duly recorded. An instrument is deemed
15 recorded the minute it is filed for record.

16 (2) Every transfer and assignment of residential real property must
17 be recorded in the office of the recording officer of the county where
18 the property is situated. An instrument is deemed recorded the minute
19 it is filed for record.

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