

Date

Honorable _____

Address

Sacramento, CA

Dear Assemblyman/Senator:

I am writing to you to express my opposition to SB 729, and my support for SB 435. SB 729, introduced by Senator Mark Leno, proposes a complex series of requirements concerning potential loan modifications for lenders to meet prior to recording a notice of default on residential property. SB 435, introduced by Senator Harman, clarifies certain foreclosure procedures.

As a member of the United Trustees Association, I am opposed to SB 727, which is even broader than similar legislation last year (SB 1275) which did not pass the legislature. The extensive obligations on lenders and servicers prior to and concurrent with foreclosures relating to loan modifications under SB 789 will slow down foreclosures, delay recovery, and do nothing about the increasing prevalence of so-called 'strategic defaults'.

In addition to short sales and other approaches, loan modifications can be an effective strategy for keeping borrowers in their homes. However, this bill is highly complex and mandates rules that are overly complex and will result in delays and or ambiguity in the process. SB 789 is rampant with ambiguous terms and procedural traps that essentially would allow every foreclosure to be litigated, eliminating the benefits to all parties from the nonjudicial foreclosure system. For example, the bill requires a 'good faith' determination on a potential modification application prior to recording the Notice of Default; greatly expands requirements for recording declarations of compliance; and requires a 'life of loan' accounting along with the NOD. Please bear in mind, that the issue the legislation purportedly addresses with foreclosures is not now, nor has ever been, a dispute by the borrower as to whether or not the borrower is in default.

Finally, I wanted to reiterate our support for SB 435, introduced by Senator Tom Harman. This bill clarifies certain foreclosure procedures, including the ability to list an 'authorized agent' in the Notice of Sale and eliminates unnecessary notices after trustee substitutions. This bill makes only technical changes to the Civil Code and is designed to insure that the foreclosure process gets the right information to the right people in the most cost-effective manner. I am not aware of any opposition to this bill.

Again, than you for meeting with me and please feel free to contact me anytime regarding these bills.

Sincerely,

Name

Company