

CERTIFICATION OF ENROLLMENT

SECOND ENGROSSED SUBSTITUTE HOUSE BILL 2057

65th Legislature
2018 Regular Session

Passed by the House March 3, 2018
Yeas 96 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 1, 2018
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND ENGROSSED SUBSTITUTE HOUSE BILL 2057** as passed by House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SECOND ENGROSSED SUBSTITUTE HOUSE BILL 2057

AS AMENDED BY THE SENATE

Passed Legislature - 2018 Regular Session

State of Washington 65th Legislature 2017 Regular Session

By House Judiciary (originally sponsored by Representative Orwall)

READ FIRST TIME 02/17/17.

1 AN ACT Relating to the services and processes available when
2 residential real property is abandoned or in foreclosure; amending
3 RCW 61.24.030, 61.24.040, 61.24.045, 61.24.050, 61.24.130, 61.24.163,
4 and 61.24.173; adding a new section to chapter 61.24 RCW; adding a
5 new section to chapter 61.12 RCW; and adding a new chapter to Title 7
6 RCW.

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

8 **Sec. 1.** RCW 61.24.030 and 2012 c 185 s 9 are each amended to
9 read as follows:

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

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

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

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

4 (4) That no action commenced by the beneficiary of the deed of
5 trust is now pending to seek satisfaction of an obligation secured by
6 the deed of trust in any court by reason of the grantor's default on
7 the obligation secured: PROVIDED, That (a) the seeking of the
8 appointment of a receiver, or the filing of a civil case to obtain
9 court approval to access, secure, maintain, and preserve property
10 from waste or nuisance, shall not constitute an action for purposes
11 of this chapter; and (b) if a receiver is appointed, the grantor
12 shall be entitled to any rents or profits derived from property
13 subject to a homestead as defined in RCW 6.13.010. If the deed of
14 trust was granted to secure a commercial loan, this subsection shall
15 not apply to actions brought to enforce any other lien or security
16 interest granted to secure the obligation secured by the deed of
17 trust being foreclosed;

18 (5) That the deed of trust has been recorded in each county in
19 which the land or some part thereof is situated;

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

25 (7)(a) That, for residential real property, before the notice of
26 trustee's sale is recorded, transmitted, or served, the trustee shall
27 have proof that the beneficiary is the ((owner)) holder of any
28 promissory note or other obligation secured by the deed of trust. A
29 declaration by the beneficiary made under the penalty of perjury
30 stating that the beneficiary is the ((actual)) holder of ((the)) any
31 promissory note or other obligation secured by the deed of trust
32 shall be sufficient proof as required under this subsection.

33 (b) Unless the trustee has violated his or her duty under RCW
34 61.24.010(4), the trustee is entitled to rely on the beneficiary's
35 declaration as evidence of proof required under this subsection.

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

38 (8) That at least thirty days before notice of sale shall be
39 recorded, transmitted or served, written notice of default and, for
40 residential real property, the beneficiary declaration specified in

1 subsection (7)(a) of this section shall be transmitted by the
2 beneficiary or trustee to the borrower and grantor at their last
3 known addresses by both first-class and either registered or
4 certified mail, return receipt requested, and the beneficiary or
5 trustee shall cause to be posted in a conspicuous place on the
6 premises, a copy of the notice, or personally served on the borrower
7 and grantor. This notice shall contain the following information:

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

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

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

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

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

22 (f) A statement showing the total of (d) and (e) of this
23 subsection, designated clearly and conspicuously as the amount
24 necessary to reinstate the note and deed of trust before the
25 recording of the notice of sale;

26 (g) A statement that failure to cure the alleged default within
27 thirty days of the date of mailing of the notice, or if personally
28 served, within thirty days of the date of personal service thereof,
29 may lead to recordation, transmittal, and publication of a notice of
30 sale, and that the property described in (a) of this subsection may
31 be sold at public auction at a date no less than one hundred twenty
32 days in the future, or no less than one hundred fifty days in the
33 future if the borrower received a letter under RCW 61.24.031;

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

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

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

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

**"THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR
LOSING YOUR HOME.**

You may be eligible for mediation in front of a neutral third party to help save your home.

CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW to assess your situation and refer you to mediation if you might benefit. Mediation **MUST** be requested between the time you receive the Notice of Default and no later than twenty days after the Notice of Trustee Sale is recorded.

DO NOT DELAY. If you do nothing, a notice of sale may be issued as soon as 30 days from the date of this notice of default. The notice of sale will provide a minimum of 120 days' notice of the date of the actual foreclosure sale.

BE CAREFUL of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.

REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: Web site:

The United States Department of Housing and Urban Development

Telephone: Web site:

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: Web site:"

1 The beneficiary or trustee shall obtain the toll-free numbers and
2 web site information from the department for inclusion in the notice;
3 ((and))

4 (1) In the event the property secured by the deed of trust is
5 residential real property, the name and address of the ((owner))
6 holder of any promissory note((s)) or other obligation((s)) secured
7 by the deed of trust and the name, address, and telephone number of a
8 party acting as a servicer of the obligations secured by the deed of
9 trust; ((and))

10 (m) For notices issued after June 30, 2018, on the top of the
11 first page of the notice:

12 (i) The current beneficiary of the deed of trust;

13 (ii) The current mortgage servicer for the deed of trust; and

14 (iii) The current trustee for the deed of trust;

15 (9) That, for owner-occupied residential real property, before
16 the notice of the trustee's sale is recorded, transmitted, or served,
17 the beneficiary has complied with RCW 61.24.031 and, if applicable,
18 RCW 61.24.163;

19 (10) That, in the case where the borrower or grantor is known to
20 the mortgage servicer or trustee to be deceased, the notice required
21 under subsection (8) of this section must be sent to any spouse,
22 child, or parent of the borrower or grantor known to the trustee or
23 mortgage servicer, and to any owner of record of the property, at any
24 address provided to the trustee or mortgage servicer, and to the
25 property addressed to the heirs and devisees of the borrower.

26 (a) If the name or address of any spouse, child, or parent of
27 such deceased borrower or grantor cannot be ascertained with use of
28 reasonable diligence, the trustee must execute and record with the
29 notice of sale a declaration attesting to the same.

30 (b) Reasonable diligence for the purposes of this subsection (10)
31 means the trustee shall search in the county where the property is
32 located, the public records and information for any obituary, will,
33 death certificate, or case in probate within the county for the
34 borrower and grantor;

35 (11) Upon written notice identifying the property address and the
36 name of the borrower to the servicer or trustee by someone claiming
37 to be a successor in interest to the borrower's or grantor's property
38 rights, but who is not a party to the loan or promissory note or
39 other obligation secured by the deed of trust, a trustee shall not

1 record a notice of sale pursuant to RCW 61.24.040 until the trustee
2 or mortgage servicer completes the following:

3 (a) Acknowledges the notice in writing and requests reasonable
4 documentation of the death of the borrower or grantor from the
5 claimant including, but not limited to, a death certificate or other
6 written evidence of the death of the borrower or grantor. The
7 claimant must be allowed thirty days from the date of this request to
8 present this documentation. If the trustee or mortgage servicer has
9 already obtained sufficient proof of the borrower's death, it may
10 proceed by acknowledging the claimant's notice in writing and issuing
11 a request under (b) of this subsection.

12 (b) If the mortgage servicer or trustee obtains or receives
13 written documentation of the death of the borrower or grantor from
14 the claimant, or otherwise independently confirms the death of the
15 borrower or grantor, then the servicer or trustee must request in
16 writing documentation from the claimant demonstrating the ownership
17 interest of the claimant in the real property. A claimant has sixty
18 days from the date of the request to present this documentation.

19 (c) If the mortgage servicer or trustee receives written
20 documentation demonstrating the ownership interest of the claimant
21 prior to the expiration of the sixty days provided in (b) of this
22 subsection, then the servicer or trustee must, within twenty days of
23 receipt of proof of ownership interest, provide the claimant with, at
24 a minimum, the loan balance, interest rate and interest reset dates
25 and amounts, balloon payments if any, prepayment penalties if any,
26 the basis for the default, the monthly payment amount, reinstatement
27 amounts or conditions, payoff amounts, and information on how and
28 where payments should be made. The mortgage servicers shall also
29 provide the claimant application materials and information, or a
30 description of the process, necessary to request a loan assumption
31 and modification.

32 (d) Upon receipt by the trustee or the mortgage servicer of the
33 documentation establishing claimant's ownership interest in the real
34 property, that claimant shall be deemed a "successor in interest" for
35 the purposes of this section.

36 (e) There may be more than one successor in interest to the
37 borrower's property rights. The trustee and mortgage servicer shall
38 apply the provisions of this section to each successor in interest.
39 In the case of multiple successors in interest, where one or more do
40 not wish to assume the loan as coborrowers or coapplicants, a

1 mortgage servicer may require any nonapplicant successor in interest
2 to consent in writing to the application for loan assumption.

3 (f) The existence of a successor in interest under this section
4 does not impose an affirmative duty on a mortgage servicer or alter
5 any obligation the mortgage servicer has to provide a loan
6 modification to the successor in interest. If a successor in interest
7 assumes the loan, he or she may be required to otherwise qualify for
8 available foreclosure prevention alternatives offered by the mortgage
9 servicer.

10 (g) (c), (e), and (f) of this subsection (11) do not apply to
11 association beneficiaries subject to chapter 64.32, 64.34, or 64.38
12 RCW; and

13 (12) Nothing in this section shall prejudice the right of the
14 mortgage servicer or beneficiary from discontinuing any foreclosure
15 action initiated under the deed of trust act in favor of other
16 allowed methods for pursuit of foreclosure of the security interest
17 or deed of trust security interest.

18 **Sec. 2.** RCW 61.24.040 and 2012 c 185 s 10 are each amended to
19 read as follows:

20 A deed of trust foreclosed under this chapter shall be foreclosed
21 as follows:

22 (1) At least ninety days before the sale, or if a letter under
23 RCW 61.24.031 is required, at least one hundred twenty days before
24 the sale, the trustee shall:

25 (a) Record a notice in the form described in ~~((f) of this))~~
26 subsection (2) of this section in the office of the auditor in each
27 county in which the deed of trust is recorded;

28 (b) To the extent the trustee elects to foreclose its lien or
29 interest, or the beneficiary elects to preserve its right to seek a
30 deficiency judgment against a borrower or grantor under RCW
31 61.24.100(3)(a), and if their addresses are stated in a recorded
32 instrument evidencing their interest, lien, or claim of lien, or an
33 amendment thereto, or are otherwise known to the trustee, cause a
34 copy of the notice of sale described in ~~((f) of this))~~ subsection
35 (2) of this section to be transmitted by both first-class and either
36 certified or registered mail, return receipt requested, to the
37 following persons or their legal representatives, if any, at such
38 address:

39 (i) (A) The borrower and grantor;

1 (B) In the case where the borrower or grantor is deceased, to any
2 successors in interest. If no successor in interest has been
3 established, then to any spouse, child, or parent of the borrower or
4 grantor, at the addresses discovered by the trustee pursuant to RCW
5 61.24.030(10);

6 (ii) The beneficiary of any deed of trust or mortgagee of any
7 mortgage, or any person who has a lien or claim of lien against the
8 property, that was recorded subsequent to the recordation of the deed
9 of trust being foreclosed and before the recordation of the notice of
10 sale;

11 (iii) The vendee in any real estate contract, the lessee in any
12 lease, or the holder of any conveyances of any interest or estate in
13 any portion or all of the property described in such notice, if that
14 contract, lease, or conveyance of such interest or estate, or a
15 memorandum or other notice thereof, was recorded after the
16 recordation of the deed of trust being foreclosed and before the
17 recordation of the notice of sale;

18 (iv) The last holder of record of any other lien against or
19 interest in the property that is subject to a subordination to the
20 deed of trust being foreclosed that was recorded before the
21 recordation of the notice of sale;

22 (v) The last holder of record of the lien of any judgment
23 subordinate to the deed of trust being foreclosed; and

24 (vi) The occupants of property consisting solely of a single-
25 family residence, or a condominium, cooperative, or other dwelling
26 unit in a multiplex or other building containing fewer than five
27 residential units, whether or not the occupant's rental agreement is
28 recorded, which notice may be a single notice addressed to
29 "occupants" for each unit known to the trustee or beneficiary;

30 (c) Cause a copy of the notice of sale described in ~~((f))~~
31 ~~this))~~ subsection (2) of this section to be transmitted by both
32 first-class and either certified or registered mail, return receipt
33 requested, to the plaintiff or the plaintiff's attorney of record, in
34 any court action to foreclose a lien or other encumbrance on all or
35 any part of the property, provided a court action is pending and a
36 lis pendens in connection therewith is recorded in the office of the
37 auditor of any county in which all or part of the property is located
38 on the date the notice is recorded;

39 (d) Cause a copy of the notice of sale described in ~~((f))~~
40 ~~this))~~ subsection (2) of this section to be transmitted by both

first-class and either certified or registered mail, return receipt requested, to any person who has recorded a request for notice in accordance with RCW 61.24.045, at the address specified in such person's most recently recorded request for notice;

(e) Cause a copy of the notice of sale described in ~~((f))~~ of ~~this~~) subsection (2) of this section to be posted in a conspicuous place on the property, or in lieu of posting, cause a copy of said notice to be served upon any occupant of the property(~~(f~~

~~(f))~~) (2)(a) If foreclosing on a commercial loan under RCW 61.24.005(4), the title of the document must be "Notice of Trustee's Sale of Commercial Loan(s)";

(b) In addition to all other indexing requirements, the notice required in subsection (1) of this section must clearly indicate on the first page the following information, which the auditor will index:

(i) The document number or numbers given to the deed of trust upon recording;

(ii) The parcel number(s);

(iii) The grantor;

(iv) The current beneficiary of the deed of trust;

(v) The current trustee of the deed of trust; and

(vi) The current loan mortgage servicer of the deed of trust;

(c) Nothing in this section:

(i) Requires a trustee or beneficiary to cause to be recorded any new notice of trustee's sale upon transfer of the beneficial interest in a deed of trust or the servicing rights for the associated mortgage loan;

(ii) Relieves a mortgage loan servicer of any obligation to provide the borrower with notice of a transfer of servicing rights or other legal obligations related to the transfer; or

(iii) Prevents the trustee from disclosing the beneficiary's identity to the borrower and to county and municipal officials seeking to abate nuisance and abandoned property in foreclosure pursuant to chapter 35.21 RCW.

(d) The notice (~~shall~~) must be in substantially the following form:

NOTICE OF TRUSTEE'S SALE

Grantor:

Current beneficiary of the deed of trust:

1 Current trustee of the deed of trust:
2 Current mortgage servicer of the deed of trust:
3 Reference number of the deed of trust:
4 Parcel number(s):

5 I.

6 NOTICE IS HEREBY GIVEN that the undersigned Trustee will on
7 the day of, . . ., at the hour of
8 o'clock M. at
9 [street
10 address and location if inside a building] in the City
11 of, State of Washington, sell at public auction to the
12 highest and best bidder, payable at the time of sale, the following
13 described real property, situated in the County(ies) of,
14 State of Washington, to-wit:

15 [If any personal property is to be included in the trustee's
16 sale, include a description that reasonably identifies such
17 personal property]

18 which is subject to that certain Deed of Trust
19 dated, . . ., recorded, . . ., under
20 Auditor's File No., records of County,
21 Washington, from, as Grantor, to,
22 as Trustee, to secure an obligation in favor of, as
23 Beneficiary, the beneficial interest in which was assigned
24 by, under an Assignment recorded under Auditor's
25 File No. [Include recording information for all counties if
26 the Deed of Trust is recorded in more than one county.]

27 II.

28 No action commenced by the Beneficiary of the Deed of Trust is now
29 pending to seek satisfaction of the obligation in any Court by reason
30 of the Borrower's or Grantor's default on the obligation secured by
31 the Deed of Trust.

32 [If there is another action pending to foreclose other
33 security for all or part of the same debt, qualify the
34 statement and identify the action.]

35 III.

36 The default(s) for which this foreclosure is made is/are as follows:

[If default is for other than payment of money, set forth the particulars]

Failure to pay when due the following amounts which are now in arrears:

IV.

The sum owing on the obligation secured by the Deed of Trust is: Principal \$, together with interest as provided in the note or other instrument secured from the day of, . . ., and such other costs and fees as are due under the note or other instrument secured, and as are provided by statute.

V.

The above-described real property will be sold to satisfy the expense of sale and the obligation secured by the Deed of Trust as provided by statute. The sale will be made without warranty, express or implied, regarding title, possession, or encumbrances on the day of, . . . The default(s) referred to in paragraph III must be cured by the day of, . . . (11 days before the sale date), to cause a discontinuance of the sale. The sale will be discontinued and terminated if at any time on or before the day of, . . ., (11 days before the sale date), the default(s) as set forth in paragraph III is/are cured and the Trustee's fees and costs are paid. The sale may be terminated any time after the day of, . . . (11 days before the sale date), and before the sale by the Borrower, Grantor, any Guarantor, or the holder of any recorded junior lien or encumbrance paying the entire principal and interest secured by the Deed of Trust, plus costs, fees, and advances, if any, made pursuant to the terms of the obligation and/or Deed of Trust, and curing all other defaults.

VI.

A written notice of default was transmitted by the Beneficiary or Trustee to the Borrower and Grantor at the following addresses:

.....
.....
.....

by both first-class and certified mail on the day of, . . ., proof of which is in the possession of the Trustee; and the Borrower and Grantor were personally served on the day of, . . ., with said written notice of default or the written notice of default was posted in a conspicuous place on the real property described in paragraph I above, and the Trustee has possession of proof of such service or posting.

VII.

The Trustee whose name and address are set forth below will provide in writing to anyone requesting it, a statement of all costs and fees due at any time prior to the sale.

VIII.

The effect of the sale will be to deprive the Grantor and all those who hold by, through or under the Grantor of all their interest in the above-described property.

IX.

Anyone having any objection to the sale on any grounds whatsoever will be afforded an opportunity to be heard as to those objections if they bring a lawsuit to restrain the sale pursuant to RCW 61.24.130. Failure to bring such a lawsuit may result in a waiver of any proper grounds for invalidating the Trustee's sale.

[Add Part X to this notice if applicable under RCW 61.24.040(~~(+9)~~))
(11)]

.....

....., Trustee

..... }
..... }
..... }

..... Address

.....

..... } Phone

[Acknowledgment]

~~((1-f))~~ (3) If the borrower received a letter under RCW 61.24.031, the notice specified in subsection ~~((1-f))~~ (2)(d) of this section shall also include the following additional language:

"THIS NOTICE IS THE FINAL STEP BEFORE THE FORECLOSURE SALE OF YOUR HOME.

You have only 20 DAYS from the recording date on this notice to pursue mediation.

DO NOT DELAY. CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW to assess your situation and refer you to mediation if you are eligible and it may help you save your home. See below for safe sources of help.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: Web site:

The United States Department of Housing and Urban Development

Telephone: Web site:

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: Web site:"

The beneficiary or trustee shall obtain the toll-free numbers and web site information from the department for inclusion in the notice;

~~((2))~~ (4) In addition to providing the borrower and grantor the notice of sale described in subsection ~~((1)(f))~~ (2) of this section, the trustee shall include with the copy of the notice which is mailed to the grantor, a statement to the grantor in substantially the following form:

NOTICE OF FORECLOSURE

Pursuant to the Revised Code of Washington,
Chapter 61.24 RCW

The attached Notice of Trustee's Sale is a consequence of default(s) in the obligation to, the Beneficiary of your Deed of Trust and ((owner)) holder of the obligation secured thereby.

Unless the default(s) is/are cured, your property will be sold at auction on the day of,

To cure the default(s), you must bring the payments current, cure any other defaults, and pay accrued late charges and other costs, advances, and attorneys' fees as set forth below by the day of, [11 days before the sale date]. To date, these arrears and costs are as follows:

| | | Estimated amount | |
|---------------------|--|------------------|------------------|
| | | Currently due | that will be due |
| | | to reinstate | to reinstate |
| | | on | on |
| | | | |
| | | | (11 days before |
| | | | the date set |
| | | | for sale) |
| Delinquent payments | | | |
| from, | | | |
| . . . , in the | | | |
| amount of | | | |
| \$/mo.: | | \$ | \$ |
| Late charges in | | | |
| the total | | | |
| amount of: | | \$ | \$ |
| | | | Estimated |
| | | | Amounts |
| Attorneys' fees: | | \$ | \$ |
| Trustee's fee: | | \$ | \$ |
| Trustee's expenses: | | | |
| (Itemization) | | | |
| Title report | | \$ | \$ |
| Recording fees | | \$ | \$ |
| Service/Posting | | | |
| of Notices | | \$ | \$ |
| Postage/Copying | | | |
| expense | | \$ | \$ |
| Publication | | \$ | \$ |

| | | | |
|---|-----------------|--------|--------|
| 1 | Telephone | | \$.... |
| 2 | charges | \$.... | |
| 3 | Inspection fees | \$.... | \$.... |
| 4 | ..... | \$.... | \$.... |
| 5 | ..... | \$.... | \$.... |
| 6 | TOTALS | \$.... | \$.... |

7 To pay off the entire obligation secured by your Deed of Trust as
8 of the day of you must pay a total of
9 \$. . . . in principal, \$. . . . in interest, plus other costs and
10 advances estimated to date in the amount of \$. . . . From and
11 after the date of this notice you must submit a written request to
12 the Trustee to obtain the total amount to pay off the entire
13 obligation secured by your Deed of Trust as of the payoff date.

14 As to the defaults which do not involve payment of money to the
15 Beneficiary of your Deed of Trust, you must cure each such default.
16 Listed below are the defaults which do not involve payment of money
17 to the Beneficiary of your Deed of Trust. Opposite each such listed
18 default is a brief description of the action necessary to cure the
19 default and a description of the documentation necessary to show that
20 the default has been cured.

| | | |
|----|---------|--|
| 21 | Default | Description of Action Required to Cure and |
| 22 | | Documentation Necessary to Show Cure |
| 23 | ..... | ..... |
| 24 |  | ..... |
| 25 |  | ..... |
| 26 | ..... | ..... |
| 27 |  | ..... |
| 28 |  | ..... |

29 You may reinstate your Deed of Trust and the obligation secured
30 thereby at any time up to and including the day
31 of, . . . [11 days before the sale date], by paying the
32 amount set forth or estimated above and by curing any other defaults
33 described above. Of course, as time passes other payments may become
34 due, and any further payments coming due and any additional late
35 charges must be added to your reinstating payment. Any new defaults
36 not involving payment of money that occur after the date of this
37 notice must also be cured in order to effect reinstatement. In

1 addition, because some of the charges can only be estimated at this
2 time, and because the amount necessary to reinstate or to pay off the
3 entire indebtedness may include presently unknown expenditures
4 required to preserve the property or to comply with state or local
5 law, it will be necessary for you to contact the Trustee before the
6 time you tender reinstatement or the payoff amount so that you may be
7 advised of the exact amount you will be required to pay. Tender of
8 payment or performance must be made to:, whose address
9 is, telephone () AFTER THE DAY
10 OF, . . ., YOU MAY NOT REINSTATE YOUR DEED OF TRUST BY
11 PAYING THE BACK PAYMENTS AND COSTS AND FEES AND CURING THE OTHER
12 DEFAULTS AS OUTLINED ABOVE. The Trustee will respond to any written
13 request for current payoff or reinstatement amounts within ten days
14 of receipt of your written request. In such a case, you will only be
15 able to stop the sale by paying, before the sale, the total principal
16 balance (\$) plus accrued interest, costs and advances, if
17 any, made pursuant to the terms of the documents and by curing the
18 other defaults as outlined above.

19 You may contest this default by initiating court action in the
20 Superior Court of the county in which the sale is to be held. In such
21 action, you may raise any legitimate defenses you have to this
22 default. A copy of your Deed of Trust and documents evidencing the
23 obligation secured thereby are enclosed. You may wish to consult a
24 lawyer. Legal action on your part may prevent or restrain the sale,
25 but only if you persuade the court of the merits of your defense. You
26 may contact the Department of Financial Institutions or the statewide
27 civil legal aid hotline for possible assistance or referrals.

28 The court may grant a restraining order or injunction to restrain
29 a trustee's sale pursuant to RCW 61.24.130 upon five days notice to
30 the trustee of the time when, place where, and the judge before whom
31 the application for the restraining order or injunction is to be
32 made. This notice shall include copies of all pleadings and related
33 documents to be given to the judge. Notice and other process may be
34 served on the trustee at:

35 NAME:

36 ADDRESS:

37

38 TELEPHONE NUMBER:

1 If you do not reinstate the secured obligation and your Deed of
2 Trust in the manner set forth above, or if you do not succeed in
3 restraining the sale by court action, your property will be sold. The
4 effect of such sale will be to deprive you and all those who hold by,
5 through or under you of all interest in the property;

6 ~~((+3))~~ (5) In addition, the trustee shall cause a copy of the
7 notice of sale described in subsection ~~((+1)-(f))~~ (2)(d) of this
8 section (excluding the acknowledgment) to be published in a legal
9 newspaper in each county in which the property or any part thereof is
10 situated, once on or between the thirty-fifth and twenty-eighth day
11 before the date of sale, and once on or between the fourteenth and
12 seventh day before the date of sale;

13 ~~((+4))~~ (6) In the case where no successor in interest has been
14 established, and neither the beneficiary nor the trustee are able to
15 ascertain the name and address of any spouse, child, or parent of the
16 borrower or grantor in the manner described in RCW 61.24.030(10),
17 then the trustee may, in addition to mailing notice to the property
18 addressed to the unknown heirs and devisees of the grantor, serve the
19 notice of sale by publication in a newspaper of general circulation
20 in the county or city where the property is located once per week for
21 three consecutive weeks. Upon this service by publication, to be
22 completed not less than thirty days prior to the date the sale is
23 conducted, all unknown heirs shall be deemed served with the notice
24 of sale;

25 (7)(a) If a servicer or trustee receives notification by someone
26 claiming to be a successor in interest to the borrower or grantor, as
27 under RCW 61.24.030(11), after the recording of the notice of sale,
28 the trustee or servicer must request written documentation within
29 five days demonstrating the ownership interest, provided that, the
30 trustee may, but is not required to, postpone a trustee's sale upon
31 receipt of such notification by someone claiming to be a successor in
32 interest.

33 (b) Upon receipt of documentation establishing a claimant as a
34 successor in interest, the servicer must provide the information in
35 RCW 61.24.030(11)(c). Only if the servicer or trustee receives the
36 documentation confirming someone as successor in interest more than
37 forty-five days before the scheduled sale must the servicer then
38 provide the information in RCW 61.24.030(11)(c) to the claimant not
39 less than twenty days prior to the sale.

1 (c) (b) of this subsection (7) does not apply to association
2 beneficiaries subject to chapter 64.32, 64.34, or 64.38 RCW.

3 (8) On the date and at the time designated in the notice of sale,
4 the trustee or its authorized agent shall sell the property at public
5 auction to the highest bidder. The trustee may sell the property in
6 gross or in parcels as the trustee shall deem most advantageous;

7 ~~((+5+))~~ (9) The place of sale shall be at any designated public
8 place within the county where the property is located and if the
9 property is in more than one county, the sale may be in any of the
10 counties where the property is located. The sale shall be on Friday,
11 or if Friday is a legal holiday on the following Monday, and during
12 the hours set by statute for the conduct of sales of real estate at
13 execution;

14 ~~((+6+))~~ (10) The trustee has no obligation to, but may, for any
15 cause the trustee deems advantageous, continue the sale for a period
16 or periods not exceeding a total of one hundred twenty days by (a) a
17 public proclamation at the time and place fixed for sale in the
18 notice of sale and if the continuance is beyond the date of sale, by
19 giving notice of the new time and place of the sale by both first
20 class and either certified or registered mail, return receipt
21 requested, to the persons specified in subsection (1)(b)(i) and (ii)
22 of this section to be deposited in the mail (i) not less than four
23 days before the new date fixed for the sale if the sale is continued
24 for up to seven days; or (ii) not more than three days after the date
25 of the continuance by oral proclamation if the sale is continued for
26 more than seven days, or, alternatively, (b) by giving notice of the
27 time and place of the postponed sale in the manner and to the persons
28 specified in subsection (1)(b), (c), (d), and (e) of this section and
29 publishing a copy of such notice once in the newspaper(s) described
30 in subsection ~~((+3+))~~ (5) of this section, more than seven days
31 before the date fixed for sale in the notice of sale. No other notice
32 of the postponed sale need be given;

33 ~~((+7+))~~ (11) The purchaser shall forthwith pay the price bid and
34 on payment the trustee shall execute to the purchaser its deed; the
35 deed shall recite the facts showing that the sale was conducted in
36 compliance with all of the requirements of this chapter and of the
37 deed of trust, which recital shall be prima facie evidence of such
38 compliance and conclusive evidence thereof in favor of bona fide
39 purchasers and encumbrancers for value, except that these recitals
40 shall not affect the lien or interest of any person entitled to

1 notice under subsection (1) of this section, if the trustee fails to
2 give the required notice to such person. In such case, the lien or
3 interest of such omitted person shall not be affected by the sale and
4 such omitted person shall be treated as if such person was the holder
5 of the same lien or interest and was omitted as a party defendant in
6 a judicial foreclosure proceeding;

7 ~~((+8))~~ (12) The sale as authorized under this chapter shall not
8 take place less than one hundred ninety days from the date of default
9 in any of the obligations secured;

10 ~~((+9))~~ (13) If the trustee elects to foreclose the interest of
11 any occupant or tenant of property comprised solely of a single-
12 family residence, or a condominium, cooperative, or other dwelling
13 unit in a multiplex or other building containing fewer than five
14 residential units, the following notice shall be included as Part X
15 of the Notice of Trustee's Sale:

16 X. NOTICE TO OCCUPANTS OR TENANTS

17 The purchaser at the trustee's sale is entitled to possession of the
18 property on the 20th day following the sale, as against the grantor
19 under the deed of trust (the owner) and anyone having an interest
20 junior to the deed of trust, including occupants who are not tenants.
21 After the 20th day following the sale the purchaser has the right to
22 evict occupants who are not tenants by summary proceedings under
23 chapter 59.12 RCW. For tenant-occupied property, the purchaser shall
24 provide a tenant with written notice in accordance with RCW
25 61.24.060;

26 ~~((+10))~~ (14) Only one copy of all notices required by this
27 chapter need be given to a person who is both the borrower and the
28 grantor. All notices required by this chapter that are given to a
29 general partnership are deemed given to each of its general partners,
30 unless otherwise agreed by the parties.

31 **Sec. 3.** RCW 61.24.045 and 2008 c 153 s 4 are each amended to
32 read as follows:

33 Any person desiring a copy of any notice of sale described in RCW
34 61.24.040 ~~((+1)-(f))~~ (2) under any deed of trust, other than a person
35 entitled to receive such a notice under RCW 61.24.040(1) (b) or (c),
36 must, after the recordation of such deed of trust and before the
37 recordation of the notice of sale, cause to be filed for record, in
38 the office of the auditor of any county in which the deed of trust is

1 recorded, a duly acknowledged request for a copy of any notice of
2 sale. The request shall be signed and acknowledged by the person to
3 be notified or such person's agent, attorney, or representative;
4 shall set forth the name, mailing address, and telephone number, if
5 any, of the person or persons to be notified; shall identify the deed
6 of trust by stating the names of the parties thereto, the date the
7 deed of trust was recorded, the legal description of the property
8 encumbered by the deed of trust, and the auditor's file number under
9 which the deed of trust is recorded; and shall be in substantially
10 the following form:

11 REQUEST FOR NOTICE

12 Request is hereby made that a copy of any notice of sale described in
13 RCW 61.24.040(~~((1)-(f))~~) (2) under that certain Deed of Trust
14 dated, (~~(20.)~~) (year), recorded
15 on, (~~(20.)~~) (year), under auditor's file
16 No., records of County, Washington,
17 from, as Grantor, to, as Trustee, to
18 secure an obligation in favor of, as Beneficiary,
19 and affecting the following described real property:

20 (Legal Description)

21 be sent by both first-class and either registered or certified mail,
22 return receipt requested, to at

23 Dated this day of, (~~(20.)~~) (year)

24
25 Signature

26 (Acknowledgment)

27 A request for notice under this section shall not affect title to, or
28 be deemed notice to any person that any person has any right, title,
29 interest in, lien or charge upon, the property described in the
30 request for notice.

31 **Sec. 4.** RCW 61.24.050 and 2012 c 185 s 14 are each amended to
32 read as follows:

33 (1) Upon physical delivery of the trustee's deed to the
34 purchaser, or a different grantee as designated by the purchaser
35 following the trustee's sale, the trustee's deed shall convey all of
36 the right, title, and interest in the real and personal property sold

1 at the trustee's sale which the grantor had or had the power to
2 convey at the time of the execution of the deed of trust, and such as
3 the grantor may have thereafter acquired. Except as provided in
4 subsection (2) of this section, if the trustee accepts a bid, then
5 the trustee's sale is final as of the date and time of such
6 acceptance if the trustee's deed is recorded within fifteen days
7 thereafter. After a trustee's sale, no person shall have any right,
8 by statute or otherwise, to redeem the property sold at the trustee's
9 sale.

10 (2)(a) Up to the eleventh day following the trustee's sale, the
11 trustee, beneficiary, or authorized agent for the beneficiary may
12 declare the trustee's sale and trustee's deed void for the following
13 reasons:

14 (i) The trustee, beneficiary, or authorized agent for the
15 beneficiary assert that there was an error with the trustee
16 foreclosure sale process including, but not limited to, an erroneous
17 opening bid amount made by or on behalf of the foreclosing
18 beneficiary at the trustee's sale;

19 (ii) The borrower and beneficiary, or authorized agent for the
20 beneficiary, had agreed prior to the trustee's sale to a loan
21 modification agreement, forbearance plan, shared appreciation
22 mortgage, or other loss mitigation agreement to postpone or
23 discontinue the trustee's sale; or

24 (iii) The beneficiary or authorized agent for the beneficiary had
25 accepted funds that fully reinstated or satisfied the loan even if
26 the beneficiary or authorized agent for the beneficiary had no legal
27 duty to do so.

28 (b) This subsection does not impose a duty upon the trustee any
29 different than the obligations set forth under RCW 61.24.010 (3) and
30 (4).

31 (3) The trustee must refund the bid amount to the purchaser no
32 later than the third day following the postmarked mailing of the
33 rescission notice described under subsection (4) of this section.

34 (4) No later than fifteen days following the voided trustee's
35 sale date, the trustee shall send a notice in substantially the
36 following form by first-class mail and certified mail, return receipt
37 requested, to all parties entitled to notice under RCW 61.24.040(1)
38 (b) through (e):

39 NOTICE OF RESCISSION OF TRUSTEE'S SALE

1 NOTICE IS HEREBY GIVEN that the trustee's sale that occurred on
2 (trustee's sale date) is rescinded and declared void because (insert
3 the applicable reason(s) permitted under RCW 61.24.050(2)(a)).

4 The trustee's sale occurred pursuant to that certain Notice of
5 Trustee's Sale dated,, recorded,, under
6 Auditor's File No., records of County, Washington, and
7 that certain Deed of Trust dated,,
8 recorded,, under Auditor's File No., records
9 of County, Washington, from, as Grantor, to,
10 as, as original Beneficiary, concerning the following
11 described property, situated in the County(ies) of, State of
12 Washington, to wit:

13 (Legal description)

14 Commonly known as (common property address)

15 (5) If the reason for the rescission stems from subsection
16 (2)(a)(i) or (ii) of this section, the trustee may set a new sale
17 date not less than forty-five days following the mailing of the
18 notice of rescission of trustee's sale. The trustee shall:

19 (a) Comply with the requirements of RCW 61.24.040(1) (a) through
20 (~~((f))~~) (e) at least thirty days before the new sale date; and

21 (b) Cause a copy of the notice of trustee's sale as provided in
22 RCW 61.24.040(~~((1)-(f))~~) (2) to be published in a legal newspaper in
23 each county in which the property or any part of the property is
24 situated, once between the thirty-fifth and twenty-eighth day before
25 the sale and once between the fourteenth and seventh day before the
26 sale.

27 **Sec. 5.** RCW 61.24.130 and 2008 c 153 s 5 are each amended to
28 read as follows:

29 (1) Nothing contained in this chapter shall prejudice the right
30 of the borrower, grantor, any guarantor, or any person who has an
31 interest in, lien, or claim of lien against the property or some part
32 thereof, to restrain, on any proper legal or equitable ground, a
33 trustee's sale. The court shall require as a condition of granting
34 the restraining order or injunction that the applicant pay to the
35 clerk of the court the sums that would be due on the obligation
36 secured by the deed of trust if the deed of trust was not being
37 foreclosed:

1 (a) In the case of default in making the periodic payment of
2 principal, interest, and reserves, such sums shall be the periodic
3 payment of principal, interest, and reserves paid to the clerk of the
4 court every thirty days.

5 (b) In the case of default in making payment of an obligation
6 then fully payable by its terms, such sums shall be the amount of
7 interest accruing monthly on said obligation at the nondefault rate,
8 paid to the clerk of the court every thirty days.

9 In the case of default in performance of any nonmonetary
10 obligation secured by the deed of trust, the court shall impose such
11 conditions as it deems just.

12 In addition, the court may condition granting the restraining
13 order or injunction upon the giving of security by the applicant, in
14 such form and amount as the court deems proper, for the payment of
15 such costs and damages, including attorneys' fees, as may be later
16 found by the court to have been incurred or suffered by any party by
17 reason of the restraining order or injunction. The court may
18 consider, upon proper showing, the grantor's equity in the property
19 in determining the amount of said security.

20 (2) No court may grant a restraining order or injunction to
21 restrain a trustee's sale unless the person seeking the restraint
22 gives five days notice to the trustee of the time when, place where,
23 and the judge before whom the application for the restraining order
24 or injunction is to be made. This notice shall include copies of all
25 pleadings and related documents to be given to the judge. No judge
26 may act upon such application unless it is accompanied by proof,
27 evidenced by return of a sheriff, the sheriff's deputy, or by any
28 person eighteen years of age or over who is competent to be a
29 witness, that the notice has been served on the trustee.

30 (3) If the restraining order or injunction is dissolved after the
31 date of the trustee's sale set forth in the notice as provided in RCW
32 61.24.040(~~((1)-(f))~~) (2), the court granting such restraining order or
33 injunction, or before whom the order or injunction is returnable,
34 shall, at the request of the trustee, set a new sale date which shall
35 be not less than forty-five days from the date of the order
36 dissolving the restraining order. The trustee shall:

37 (a) Comply with the requirements of RCW 61.24.040(1) (a) through
38 (~~((f))~~) (e) at least thirty days before the new sale date; and

39 (b) Cause a copy of the notice of trustee's sale as provided in
40 RCW 61.24.040(~~((1)-(f))~~) (2) to be published in a legal newspaper in

1 each county in which the property or any part thereof is situated
2 once between the thirty-fifth and twenty-eighth day before the sale
3 and once between the fourteenth and seventh day before the sale.

4 (4) If a trustee's sale has been stayed as a result of the filing
5 of a petition in federal bankruptcy court and an order is entered in
6 federal bankruptcy court granting relief from the stay or closing or
7 dismissing the case, or discharging the debtor with the effect of
8 removing the stay, the trustee may set a new sale date which shall
9 not be less than forty-five days after the date of the bankruptcy
10 court's order. The trustee shall:

11 (a) Comply with the requirements of RCW 61.24.040(1) (a) through
12 (~~((f))~~) (e) at least thirty days before the new sale date; and

13 (b) Cause a copy of the notice of trustee's sale as provided in
14 RCW 61.24.040(~~((1)-(f))~~) (2) to be published in a legal newspaper in
15 each county in which the property or any part thereof is situated,
16 once between the thirty-fifth and twenty-eighth day before the sale
17 and once between the fourteenth and seventh day before the sale.

18 (5) Subsections (3) and (4) of this section are permissive only
19 and do not prohibit the trustee from proceeding with a trustee's sale
20 following termination of any injunction or stay on any date to which
21 such sale has been properly continued in accordance with RCW
22 61.24.040(~~((6))~~) (10).

23 (6) The issuance of a restraining order or injunction shall not
24 prohibit the trustee from continuing the sale as provided in RCW
25 61.24.040(~~((6))~~) (10).

26 **Sec. 6.** RCW 61.24.163 and 2014 c 164 s 3 are each amended to
27 read as follows:

28 (1) The foreclosure mediation program established in this section
29 applies only to borrowers who have been referred to mediation by a
30 housing counselor or attorney. The referral to mediation may be made
31 any time after a notice of default has been issued but no later than
32 twenty days after the date a notice of sale has been recorded. If the
33 borrower has failed to elect to mediate within the applicable time
34 frame, the borrower and the beneficiary may, but are under no duty
35 to, agree in writing to enter the foreclosure mediation program. The
36 mediation program under this section is not governed by chapter 7.07
37 RCW and does not preclude mediation required by a court or other
38 provision of law.

1 (2) A housing counselor or attorney referring a borrower to
2 mediation shall send a notice to the borrower and the department,
3 stating that mediation is appropriate.

4 (3) Within ten days of receiving the notice, the department
5 shall:

6 (a) Send a notice to the beneficiary, the borrower, the housing
7 counselor or attorney who referred the borrower, and the trustee
8 stating that the parties have been referred to mediation. The notice
9 must include the statements and list of documents and information
10 described in subsections (4) and (5) of this section and a statement
11 explaining each party's responsibility to pay the mediator's fee; and

12 (b) Select a mediator and notify the parties of the selection.

13 (4) Within twenty-three days of the department's notice that the
14 parties have been referred to mediation, the borrower shall transmit
15 the documents required for mediation to the mediator and the
16 beneficiary. The required documents include an initial ~~((Making Home
17 Affordable Application (HAMP) package or such other equivalent))~~
18 homeowner financial information worksheet as required by the
19 department. ~~((In the event the department is required to create a
20 worksheet,))~~ The worksheet must include, at a minimum, the following
21 information:

22 (a) The borrower's current and future income;

23 (b) Debts and obligations;

24 (c) Assets;

25 (d) Expenses;

26 (e) Tax returns for the previous two years;

27 (f) Hardship information;

28 (g) Other applicable information commonly required by any
29 applicable federal mortgage relief program.

30 (5) Within twenty days of the beneficiary's receipt of the
31 borrower's documents, the beneficiary shall transmit the documents
32 required for mediation to the mediator and the borrower. The required
33 documents include:

34 (a) An accurate statement containing the balance of the loan
35 within thirty days of the date on which the beneficiary's documents
36 are due to the parties;

37 (b) Copies of the note and deed of trust;

38 (c) Proof that the entity claiming to be the beneficiary is the
39 owner of any promissory note or obligation secured by the deed of

1 trust. Sufficient proof may be a copy of the declaration described in
2 RCW 61.24.030(7)(a);

3 (d) The best estimate of any arrearage and an itemized statement
4 of the arrearages;

5 (e) An itemized list of the best estimate of fees and charges
6 outstanding;

7 (f) The payment history and schedule for the preceding twelve
8 months, or since default, whichever is longer, including a breakdown
9 of all fees and charges claimed;

10 (g) All borrower-related and mortgage-related input data used in
11 any net present values analysis. If no net present values analysis is
12 required by the applicable federal mortgage relief program, then the
13 input data required under the federal deposit insurance corporation
14 and published in the federal deposit insurance corporation loan
15 modification program guide, or if that calculation becomes
16 unavailable, substantially similar input data as determined by the
17 department;

18 (h) An explanation regarding any denial for a loan modification,
19 forbearance, or other alternative to foreclosure in sufficient detail
20 for a reasonable person to understand why the decision was made;

21 (i) Appraisal or other broker price opinion most recently relied
22 upon by the beneficiary not more than ninety days old at the time of
23 the scheduled mediation; and

24 (j) The portion or excerpt of the pooling and servicing agreement
25 or other investor restriction that prohibits the beneficiary from
26 implementing a modification, if the beneficiary claims it cannot
27 implement a modification due to limitations in a pooling and
28 servicing agreement or other investor restriction, and documentation
29 or a statement detailing the efforts of the beneficiary to obtain a
30 waiver of the pooling and servicing agreement or other investor
31 restriction provisions.

32 (6) Within seventy days of receiving the referral from the
33 department, the mediator shall convene a mediation session in the
34 county where the property is located, unless the parties agree on
35 another location. The parties may agree to extend the time in which
36 to schedule the mediation session. If the parties agree to extend the
37 time, the beneficiary shall notify the trustee of the extension and
38 the date the mediator is expected to issue the mediator's
39 certification.

1 (7) (a) The mediator may schedule phone conferences, consultations
2 with the parties individually, and other communications to ensure
3 that the parties have all the necessary information and documents to
4 engage in a productive mediation.

5 (b) The mediator must send written notice of the time, date, and
6 location of the mediation session to the borrower, the beneficiary,
7 and the department at least thirty days prior to the mediation
8 session. At a minimum, the notice must contain:

9 (i) A statement that the borrower may be represented in the
10 mediation session by an attorney or other advocate;

11 (ii) A statement that a person with authority to agree to a
12 resolution, including a proposed settlement, loan modification, or
13 dismissal or continuation of the foreclosure proceeding, must be
14 present either in person or on the telephone or videoconference
15 during the mediation session; and

16 (iii) A statement that the parties have a duty to mediate in good
17 faith and that failure to mediate in good faith may impair the
18 beneficiary's ability to foreclose on the property or the borrower's
19 ability to modify the loan or take advantage of other alternatives to
20 foreclosure.

21 (8) (a) The borrower, the beneficiary or authorized agent, and the
22 mediator must meet in person for the mediation session. However, a
23 person with authority to agree to a resolution on behalf of the
24 beneficiary may be present over the telephone or videoconference
25 during the mediation session.

26 (b) After the mediation session commences, the mediator may
27 continue the mediation session once, and any further continuances
28 must be with the consent of the parties.

29 (9) The participants in mediation must address the issues of
30 foreclosure that may enable the borrower and the beneficiary to reach
31 a resolution, including but not limited to reinstatement,
32 modification of the loan, restructuring of the debt, or some other
33 workout plan. To assist the parties in addressing issues of
34 foreclosure, the mediator may require the participants to consider
35 the following:

36 (a) The borrower's current and future economic circumstances,
37 including the borrower's current and future income, debts, and
38 obligations for the previous sixty days or greater time period as
39 determined by the mediator;

1 (b) The net present value of receiving payments pursuant to a
2 modified mortgage loan as compared to the anticipated net recovery
3 following foreclosure;

4 (c) Any affordable loan modification calculation and net present
5 value calculation when required under any federal mortgage relief
6 program(~~(, including the home affordable modification program (HAMP)~~
7 ~~as applicable to government-sponsored enterprise and nongovernment-~~
8 ~~sponsored enterprise loans))~~ and any (~~(HAMP-related)~~) modification
9 program (~~(applicable)~~) related to loans insured by the federal
10 housing administration, the veterans administration, and the rural
11 housing service. If such a calculation is not provided or required,
12 then the beneficiary must provide the net present value data inputs
13 established by the federal deposit insurance corporation and
14 published in the federal deposit insurance corporation loan
15 modification program guide or other net present value data inputs as
16 designated by the department. The mediator may run the calculation in
17 order for a productive mediation to occur and to comply with the
18 mediator certification requirement; and

19 (d) Any other loss mitigation guidelines to loans insured by the
20 federal housing administration, the veterans administration, and the
21 rural housing service, if applicable.

22 (10) A violation of the duty to mediate in good faith as required
23 under this section may include:

24 (a) Failure to timely participate in mediation without good
25 cause;

26 (b) Failure of the borrower or the beneficiary to provide the
27 documentation required before mediation or pursuant to the mediator's
28 instructions;

29 (c) Failure of a party to designate representatives with adequate
30 authority to fully settle, compromise, or otherwise reach resolution
31 with the borrower in mediation; and

32 (d) A request by a beneficiary that the borrower waive future
33 claims he or she may have in connection with the deed of trust, as a
34 condition of agreeing to a modification, except for rescission claims
35 under the federal truth in lending act. Nothing in this section
36 precludes a beneficiary from requesting that a borrower dismiss with
37 prejudice any pending claims against the beneficiary, its agents,
38 loan servicer, or trustee, arising from the underlying deed of trust,
39 as a condition of modification.

1 (11) If the mediator reasonably believes a borrower will not
2 attend a mediation session based on the borrower's conduct, such as
3 the lack of response to the mediator's communications, the mediator
4 may cancel a scheduled mediation session and send a written
5 cancellation to the department and the trustee and send copies to the
6 parties. The beneficiary may proceed with the foreclosure after
7 receipt of the mediator's written confirmation of cancellation.

8 (12) Within seven business days after the conclusion of the
9 mediation session, the mediator must send a written certification to
10 the department and the trustee and send copies to the parties of:

11 (a) The date, time, and location of the mediation session;

12 (b) The names of all persons attending in person and by telephone
13 or videoconference, at the mediation session;

14 (c) Whether a resolution was reached by the parties, including
15 whether the default was cured by reinstatement, modification, or
16 restructuring of the debt, or some other alternative to foreclosure
17 was agreed upon by the parties;

18 (d) Whether the parties participated in the mediation in good
19 faith; and

20 (e) If a written agreement was not reached, a description of any
21 net present value test used, along with a copy of the inputs,
22 including the result of any net present value test expressed in a
23 dollar amount.

24 (13) If the parties are unable to reach an agreement, the
25 beneficiary may proceed with the foreclosure after receipt of the
26 mediator's written certification.

27 (14)(a) The mediator's certification that the beneficiary failed
28 to act in good faith in mediation constitutes a defense to the
29 nonjudicial foreclosure action that was the basis for initiating the
30 mediation. In any action to enjoin the foreclosure, the beneficiary
31 is entitled to rebut the allegation that it failed to act in good
32 faith.

33 (b) The mediator's certification that the beneficiary failed to
34 act in good faith during mediation does not constitute a defense to a
35 judicial foreclosure or a future nonjudicial foreclosure action if a
36 modification of the loan is agreed upon and the borrower subsequently
37 defaults.

38 (c) If an affordable loan modification is not offered in the
39 mediation or a written agreement was not reached and the mediator's
40 certification shows that the net present value of the modified loan

1 exceeds the anticipated net recovery at foreclosure, that showing in
2 the certification constitutes a basis for the borrower to enjoin the
3 foreclosure.

4 (15) The mediator's certification that the borrower failed to act
5 in good faith in mediation authorizes the beneficiary to proceed with
6 the foreclosure.

7 (16)(a) If a borrower has been referred to mediation before a
8 notice of trustee sale has been recorded, a trustee may not record
9 the notice of sale until the trustee receives the mediator's
10 certification stating that the mediation has been completed. If the
11 trustee does not receive the mediator's certification, the trustee
12 may record the notice of sale after ten days from the date the
13 certification to the trustee was due. If, after a notice of sale is
14 recorded under this subsection (16)(a), the mediator subsequently
15 issues a certification finding that the beneficiary violated the duty
16 of good faith, the certification constitutes a basis for the borrower
17 to enjoin the foreclosure.

18 (b) If a borrower has been referred to mediation after the notice
19 of sale was recorded, the sale may not occur until the trustee
20 receives the mediator's certification stating that the mediation has
21 been completed.

22 (17) A mediator may charge reasonable fees as authorized by this
23 subsection or as authorized by the department. Unless the fee is
24 waived, the parties agree otherwise, or the department otherwise
25 authorizes, a foreclosure mediator's fee may not exceed four hundred
26 dollars for preparing, scheduling, and conducting a mediation session
27 lasting between one hour and three hours. For a mediation session
28 exceeding three hours, the foreclosure mediator may charge a
29 reasonable fee, as authorized by the department. The mediator must
30 provide an estimated fee before the mediation, and payment of the
31 mediator's fee must be divided equally between the beneficiary and
32 the borrower. The beneficiary and the borrower must tender the loan
33 mediator's fee within thirty calendar days from receipt of the
34 department's letter referring the parties to mediation or pursuant to
35 the mediator's instructions.

36 (18) Beginning December 1, 2012, and every year thereafter, the
37 department shall report annually to the legislature on:

38 (a) The performance of the program, including the numbers of
39 borrowers who are referred to mediation by a housing counselor or
40 attorney;

1 (b) The results of the mediation program, including the number of
2 mediations requested by housing counselors and attorneys, the number
3 of certifications of good faith issued, the number of borrowers and
4 beneficiaries who failed to mediate in good faith, and the reasons
5 for the failure to mediate in good faith, if known, the numbers of
6 loans restructured or modified, the change in the borrower's monthly
7 payment for principal and interest and the number of principal write-
8 downs and interest rate reductions, and, to the extent practical, the
9 number of borrowers who report a default within a year of
10 restructuring or modification;

11 (c) The information received by housing counselors regarding
12 outcomes of foreclosures; and

13 (d) Any recommendations for changes to the statutes regarding the
14 mediation program.

15 **Sec. 7.** RCW 61.24.173 and 2016 c 196 s 2 are each amended to
16 read as follows:

17 (1) Except as provided in subsections (~~((4) and~~) (5) and (6) of
18 this section, beginning July 1, 2016, and every quarter thereafter,
19 every beneficiary on whose behalf a notice of trustee's sale has been
20 recorded pursuant to RCW 61.24.040 on residential real property under
21 this chapter must:

22 (a) Report to the department the number of notices of trustee's
23 sale recorded for each residential property during the previous
24 quarter;

25 (b) Remit the amount required under subsection (2) of this
26 section; and

27 (c) Report and update beneficiary contact information for the
28 person and work group responsible for the beneficiary's compliance
29 with the requirements of the foreclosure fairness act created in this
30 chapter.

31 (2) For each notice of trustee's sale recorded on residential
32 real property, the beneficiary on whose behalf the notice of
33 trustee's sale has been recorded shall remit (~~((two))~~) three hundred
34 (~~((fifty))~~) twenty-five dollars to the department to be deposited, as
35 provided under RCW 61.24.172, into the foreclosure fairness account.
36 The (~~((two))~~) three hundred (~~((fifty))~~) twenty-five dollar payment is
37 required for every recorded notice of trustee's sale for
38 noncommercial loans on residential real property, but does not apply
39 to the recording of an amended notice of trustee's sale. (~~((If the~~

1 beneficiary previously made a payment under RCW 61.24.174, as it
2 existed prior to July 1, 2016, for a notice of default supporting the
3 recorded notice of trustee's sale, no payment is required under this
4 section.)) No later than January 1, 2020, the department may from
5 time to time adjust the amount of the fee, not to exceed three
6 hundred twenty-five dollars, at a sufficient level to defray the
7 costs of the program. The beneficiary shall remit the total amount
8 required in a lump sum each quarter.

9 (3) Any adjustment to the amount of the fee, pursuant to the
10 authority of subsection (2) of this section, shall be made by rule
11 adopted by the department in accordance with the provisions of
12 chapter 34.05 RCW.

13 (4) Reporting and payments under subsections (1) and (2) of this
14 section are due within forty-five days of the end of each quarter.

15 ((+4+)) (5) This section does not apply to any beneficiary or
16 loan servicer that is a federally insured depository institution, as
17 defined in 12 U.S.C. Sec. 461(b)(1)(A), and that certifies under
18 penalty of perjury that fewer than fifty notices of trustee's sale
19 were recorded on its behalf in the preceding year.

20 ((+5+)) (6) This section does not apply to association
21 beneficiaries subject to chapter 64.32, 64.34, or 64.38 RCW.

22 ((+6+)) (7) For purposes of this section, "residential real
23 property" includes residential real property with up to four dwelling
24 units, whether or not the property or any part thereof is owner-
25 occupied.

26 NEW SECTION. **Sec. 8.** A new section is added to chapter 61.24
27 RCW to read as follows:

28 (1) If a trustee under a deed of trust is named as a defendant in
29 an action or proceeding in which that deed of trust is the subject,
30 and if there are no substantive allegations that seek damages from
31 the trustee or seek to enjoin the foreclosure based on any alleged
32 unlawful actions or omissions by the trustee, including causes of
33 action where the trustee is a codefendant alleged to be jointly or
34 derivatively liable with respect to the trustee's conduct as to the
35 borrower or the trustee's statutory obligations, not less than
36 thirty-five days after service of the summons and complaint on the
37 trustee, the trustee may file a declaration of nonmonetary status.
38 The declaration must be served on the parties in the manner set forth
39 in superior court civil rule (CR) 5.

(2) The declaration of nonmonetary status must set forth:

(a) The status of the trustee as trustee under the deed of trust that is the subject of the action or proceeding;

(b) That the complaint or pleading does not assert any substantive allegations that seek damages from the trustee or seek to enjoin the foreclosure based on any alleged unlawful actions or omissions by the trustee;

(c) That it has been named as a defendant in the proceeding solely in its capacity as a trustee under the deed of trust and that the trustee agrees to be bound by whatever order or judgment is issued by the court regarding the subject deed of trust;

(d) A statement printed in no less than twelve-point font and bolded that reads:

"You have 30 days from service of this declaration to file and serve an objection with the court in compliance with RCW 61.24.--- (this section). If you do not timely object, the trustee will be deemed a nominal party to this action and you may not seek monetary relief against it. Your case may also be removed to federal court if the trustee was the only defendant domiciled in Washington."

(3) The parties who have appeared in the action or proceeding have thirty days from the service of the declaration by the trustee in which to object to the nonmonetary status of the trustee. Any objection must set forth the allegations against the trustee in a manner sufficient to satisfy the pleading standard of superior court civil rule (CR) 8(a).

(4) The objection must:

(a) Conform to superior court civil rule (CR) 10 and the caption must include the following identification: "Objection to Declaration of Nonmonetary Status of Defendant [trustee]";

(b) Contain a short and plain statement of the claim against defendant trustee as described in the complaint, showing that the plaintiff is entitled to relief. Allegations against the trustee may not be raised for the first time in the objection;

(c) Be filed with the court within thirty days of service of the trustee's declaration of nonmonetary status described in subsection (1) of this section;

(d) Be served on the trustee in the manner set forth in superior court civil rule (CR) 5.

1 (5) Upon filing of a timely objection with the court and timely
2 service of the objection, the trustee must thereafter be required to
3 participate in the action or proceeding.

4 (6) If an objection is not filed and served within the thirty-day
5 objection period, the trustee: Is not required to participate any
6 further in the action or proceeding; is not subject to any monetary
7 awards as and for damages, attorneys' fees, or costs; and is bound by
8 any court order relating to the subject deed of trust that is the
9 subject of the action or proceeding. The trustee's nonmonetary status
10 is not established until the thirty-day objection period has passed
11 without filing and service of an objection pursuant to subsection (5)
12 of this section.

13 (7) In the event a party or parties elect not to or fail to
14 timely object to the declaration of nonmonetary status, but later
15 through discovery or otherwise determine that the trustee should
16 participate in the action, the parties may file and serve on all
17 parties and the trustee a motion pursuant to superior court civil
18 rule (CR) 15. Upon the court's granting of the motion, the trustee
19 must thereafter be required to participate in the action or
20 proceeding, and the court must provide sufficient time before trial
21 for the trustee to be able to respond to the complaint, to conduct
22 discovery, and to bring other pretrial motions in accordance with
23 Washington superior court civil rules.

24 (8) Upon the filing of the declaration of nonmonetary status, the
25 time within which the trustee is required to file an answer or other
26 responsive pleading is tolled for the period of time within which the
27 opposing parties may object to the declaration. Upon the timely
28 service of an objection to the declaration of nonmonetary status, the
29 trustee has thirty days from the date of service within which to file
30 an answer or other responsive pleading to the complaint or cross-
31 complaint.

32 (9) For purposes of this section, "trustee" includes any agent or
33 employee of the trustee who performs some or all the duties of a
34 trustee under this chapter and includes substituted trustees and
35 agents of the trustee.

36 (10) If upon objection to the trustee's declaration of
37 nonmonetary status the court finds that the declaration was filed
38 without sufficient support based upon the allegations made in the
39 complaint, the court may award the plaintiff attorneys' fees and
40 costs associated with the objection together with any actual damages

1 demonstrated. Any award may be made after notice and hearing with
2 submission of evidence of the attorneys' fees and damages.

3 NEW SECTION. **Sec. 9.** A new section is added to chapter 61.12
4 RCW to read as follows:

5 (1) Before any mortgagee of residential real property commences
6 any legal action under RCW 61.12.040 to foreclose any reverse
7 residential mortgage, such person shall give the mortgagor notice of
8 such intention at least thirty-three days in advance. For the
9 purposes of this section "residential real property" means property
10 consisting solely of a single-family residence, a two-to-four-unit
11 owner occupied dwelling, a residential condominium unit, a
12 manufactured home, or a residential cooperative unit.

13 (2) Notice of intention to take action as specified in subsection
14 (1) of this section must be in writing and sent to the resident
15 mortgagor or, in case of the death of the last surviving mortgagor,
16 addressed to any known surviving spouse or to "unknown heirs" of the
17 residential mortgagor, by first-class and either certified or
18 registered mail, return receipt requested, at his or her last known
19 address and, if different, at the residence which is the subject of
20 the residential mortgage.

21 (3) The written notice must be in English and Spanish, in a form
22 to be published by the department of commerce, and must clearly and
23 conspicuously state:

24 (a) The particular obligation or real estate security interest;

25 (b) The nature of the default claimed or the reason for
26 acceleration of the mortgage;

27 (c) Except in cases where the acceleration is due to the death of
28 the last surviving mortgagor, the right, if any, of the mortgagor to
29 cure the default and exactly what performance, including what sum of
30 money, if any, must be tendered to cure the default;

31 (d) Except in cases where the acceleration is due to the death of
32 the last surviving mortgagor, the applicable time within which the
33 mortgagor must cure the default;

34 (e) A statement printed in no less than twelve-point font and
35 bolded that reads:

36 "If you do nothing to cure the default, if any, we intend to
37 start a lawsuit to foreclose your mortgaged property. If the mortgage
38 is foreclosed, your mortgaged property will be sold to pay off the

1 mortgage debt. You should contact a housing counselor or attorney as
2 soon as possible."; and

3 (f) The toll-free telephone number to find a department-approved
4 home equity conversion mortgage counseling agency from the United
5 States department of housing and urban development, the toll-free
6 numbers for the statewide foreclosure hotline recommended by the
7 housing finance commission, and the statewide civil legal aid hotline
8 for assistance and referrals.

9 (4) It is an unfair or deceptive act in trade or commerce and an
10 unfair method of competition in violation of the consumer protection
11 act, chapter 19.86 RCW, affecting the public interest, for any person
12 or entity to:

13 (a) Fail to send the notice as required in this section at least
14 thirty-three days before accelerating the maturity of any reverse
15 residential mortgage obligation or commencing any legal action under
16 RCW 61.12.040;

17 (b) Fail to state the nature of the default, the correct amount
18 or action that is required to cure the default, if any, or the time
19 and manner in which to cure if cure is possible; or

20 (c) To send the notice required in this section without the
21 advisory language and information about foreclosure assistance.

22 NEW SECTION. **Sec. 10.** (1) This chapter applies only to
23 residential real property consisting solely of a single-family
24 residence, a residential condominium unit, or a residential
25 cooperative unit.

26 (2) For purposes of this chapter:

27 (a) Property is "abandoned" when there are no signs of occupancy
28 and at least three of the following indications of abandonment are
29 visible from the exterior:

30 (i) The absence of furnishings and personal items consistent with
31 residential habitation;

32 (ii) The gas, electric, or water utility services have been
33 disconnected;

34 (iii) Statements by neighbors, passersby, delivery agents, or
35 government employees that the property is vacant;

36 (iv) Multiple windows on the property are boarded up or closed
37 off or are smashed through, broken, or unhinged, or multiple window
38 panes are broken and unrepaired;

1 (v) Doors on the residence are substantially damaged, broken off,
2 unhinged, or conspicuously open;

3 (vi) The property has been stripped of copper or other materials,
4 or interior fixtures have been removed;

5 (vii) Law enforcement officials have received at least one report
6 within the immediately preceding six months of trespassing or
7 vandalism or other illegal activities by persons who enter unlawfully
8 on the property;

9 (viii) The property has been declared unfit for occupancy and
10 ordered to remain vacant and unoccupied pursuant to an order issued
11 by a municipal or county authority or a court of competent
12 jurisdiction;

13 (ix) Construction was initiated on the property and was
14 discontinued before completion, leaving a building unsuitable for
15 occupancy, and construction has not taken place for at least six
16 months;

17 (x) Newspapers, circulars, flyers, or mail has accumulated on the
18 property or the United States postal service has discontinued
19 delivery to the property;

20 (xi) Rubbish, trash, debris, neglected vegetation, or natural
21 overgrowth has accumulated on the property;

22 (xii) Hazardous, noxious, or unhealthy substances or materials
23 have accumulated on the property;

24 (xiii) Other credible evidence exists indicating the intent to
25 vacate and abandon the property.

26 (b) Property is in "mid-foreclosure" when, pursuant to chapter
27 61.24 RCW, a notice of default or notice of preforeclosure options
28 has been issued or a notice of trustee's sale has been recorded in
29 the office of the county auditor.

30 (c) Property is a "nuisance" when so determined by a county,
31 city, or town pursuant to its authority under chapter 7.48 RCW or RCW
32 35.22.280, 35.23.440, 35.27.410, or 36.32.120.

33 NEW SECTION. **Sec. 11.** (1) A county, city, or town may notify a
34 mortgage servicer that a property has been determined to be
35 abandoned, in mid-foreclosure, and a nuisance.

36 (2) A notice issued pursuant to this section must:

37 (a) Be accompanied by an affidavit or a declaration made under
38 penalty of perjury by a county, city, or town official that a
39 property is abandoned, in mid-foreclosure, and a nuisance, and the

1 affidavit or declaration must outline at least three indicators of
2 abandonment and be supported with time and date stamped photographs,
3 a finding that the property is a nuisance, and a copy of the notice
4 of default, notice of preforeclosure options, or notice of trustee's
5 sale; and

6 (b) Be sent to the mortgage servicer by certified mail.

7 NEW SECTION. **Sec. 12.** (1) A mortgage servicer may contact a
8 county, city, or town regarding a property it believes to be
9 abandoned, and a nuisance and request that a county, city, or town
10 official visit the property and make a determination as to whether
11 the residential real property is abandoned and a nuisance. When
12 making such a request, the mortgage servicer must furnish a copy of a
13 notice of default, notice of preforeclosure options, or notice of
14 trustee's sale applicable to the property.

15 (2) A county, city, or town shall respond to such a request
16 within fifteen calendar days of receipt and notify the mortgage
17 servicer:

18 (a) That a county, city, or town official has visited the
19 property and determined that the property is not abandoned, or not a
20 nuisance;

21 (b) That a county, city, or town official has visited the
22 property and determined that the property is abandoned, in mid-
23 foreclosure, and a nuisance. In this case, the notification shall be
24 accompanied by an affidavit or a declaration made under penalty of
25 perjury by a county, city, or town official that a property is
26 abandoned, mid-foreclosure, and a nuisance, and the affidavit or
27 declaration must outline at least three indicators of abandonment and
28 be supported with time and date stamped photographs, a finding that
29 the property is a nuisance, and a copy of the notice of default or
30 notice of trustee's sale supplied by the mortgage servicer; or

31 (c) That the county, city, or town does not have adequate
32 resources or is otherwise unable to make the requested determination.

33 NEW SECTION. **Sec. 13.** (1) Upon receipt from a county, city, or
34 town of an affidavit or declaration under penalty of perjury that a
35 property is abandoned, in mid-foreclosure, and a nuisance, a mortgage
36 servicer or its designee may enter the property for the purposes of
37 abating the identified nuisance, preserving property, or preventing

waste and may take steps to secure the property, including but not limited to:

(a) Installing missing locks on exterior doors. If any locks are changed the mortgage servicer must provide a lock box. Working locks may not be removed or replaced unless all doors are secured and there is no means of entry, and in such cases only one working lock may be removed and replaced;

(b) Replacing or boarding broken or missing windows;

(c) Winterizing, including draining pipes and disconnecting or turning on utilities;

(d) Eliminating building code or other code violations;

(e) Securing exterior pools and spas;

(f) Performing routine yard maintenance on the exterior of the residence; and

(g) Performing pest and insect control services.

(2) The mortgage servicer or its designee must make a record of entry by means of dated and time-stamped photographs showing the manner of entry and personal items visible within the residence upon entry.

(3) Neither the mortgage servicer nor its designee may remove personal items from the property unless the items are hazardous or perishable, and in case of such removal must inventory the items removed.

(4) Prior to each entry, a mortgage servicer or its designee must ensure that a notice is posted on the front door that includes the following:

(a) A statement that, pursuant to RCW 7.28.230, until foreclosure and sale is complete the property owner or occupant authorized by the owner has the right to possession;

(b) A statement that the property owner or occupant authorized by the owner has the right to request that any locks installed by the mortgage servicer or its designee be removed within twenty-four hours and replaced with new locks accessible by the property owner or occupant authorized by the owner only;

(c) A toll-free, twenty-four hour number that the property owner or occupant authorized by the owner may call in order to gain timely entry, which entry must be provided no later than the next business day; and

(d) The phone number of the statewide foreclosure hotline recommended by the housing finance commission and the statewide civil

1 legal aid hotline, together with a statement that the property owner
2 may have the right to participate in foreclosure mediation pursuant
3 to RCW 61.24.163.

4 (5) Records of entry onto property pursuant to this section must
5 be maintained by the mortgage servicer or its designee for at least
6 four years from the date of entry.

7 (6) If, upon entry, the property is found to be occupied, the
8 mortgage servicer or its designee must leave the property
9 immediately, notify the county, city, or town, and thereafter neither
10 the mortgage servicer nor its designee may enter the property
11 regardless of whether the property constitutes a nuisance or complies
12 with local code enforcement standards.

13 (7) In the event a mortgage servicer is contacted by the borrower
14 and notified that the property is not abandoned, the mortgage
15 servicer must so notify the county, city, or town and thereafter
16 neither the mortgage servicer nor its designee may enter the property
17 regardless of whether the property constitutes a nuisance or complies
18 with local code enforcement standards.

19 (8) A county, city, or town is not liable for any damages caused
20 by any act or omission of the mortgage servicer or its designee.

21 NEW SECTION. **Sec. 14.** Except in circumstances governed by
22 section 13 (6) and (7) of this act, if a mortgage servicer receives
23 notice from a county, city, or town pursuant to section 11 or
24 12(2)(b) of this act that a property is abandoned, in mid-
25 foreclosure, and a nuisance, and the mortgage servicer does not abate
26 the nuisance within the time prescribed by local ordinance, a county,
27 city, or town may exercise its authority under chapter 7.48 RCW, RCW
28 35.22.280, 35.23.440, 35.27.410, 36.32.120, or any other applicable
29 law to abate the nuisance and recover associated costs as set forth
30 in section 16 of this act.

31 NEW SECTION. **Sec. 15.** (1) When a property has been the subject
32 of foreclosure, a county, city or town may notify the grantee of the
33 trustee's deed or sheriff's deed, via certified mail, that a property
34 is a nuisance. Upon receipt of such a notice, the grantee of the
35 trustee's deed or sheriff's deed shall respond within fifteen
36 calendar days and provide one of the following responses:

37 (a) That the grantee of the trustee's deed or sheriff's deed will
38 abate the nuisance within the time prescribed by local ordinance; or

1 (b) That the grantee of the trustee's deed or sheriff's deed does
2 not have adequate resources to abate the nuisance within the time
3 limits required by local ordinance.

4 (2) If the grantee of the trustee's deed or sheriff's deed is
5 notified and does not abate the nuisance within the time prescribed
6 by local ordinance, a county, city, or town may exercise its
7 authority under chapter 7.48 RCW, RCW 35.22.280, 35.23.440,
8 35.27.410, 36.32.120, or any other applicable law to abate the
9 nuisance and recover associated costs as set forth in section 16 of
10 this act.

11 NEW SECTION. **Sec. 16.** Except in circumstances governed by
12 section 13 (6) and (7) of this act, if, after issuance of a notice
13 pursuant to section 11, 12(2)(b), or 15 of this act, a nuisance has
14 not been abated within the time prescribed by local ordinance and the
15 county, city, or town has exercised its authority under chapter 7.48
16 RCW, RCW 35.22.280, 35.23.440, 35.27.410, 36.32.120, or any other
17 applicable law to abate the nuisance, the county, city, or town may
18 recover its costs by levying an assessment on the real property on
19 which the nuisance is situated to reimburse the county, city, or town
20 for the costs of abatement, excluding any associated fines or
21 penalties. This assessment constitutes a lien against the property,
22 and is binding upon successors in title only from the date the lien
23 is recorded in the county in which the real property is located. This
24 assessment is of equal rank with state, county, and municipal taxes
25 and is assessed against the real property upon which cost was
26 incurred unless such amount is previously paid.

27 NEW SECTION. **Sec. 17.** The authority provided pursuant to this
28 chapter is in addition to, and not in limitation of, any other
29 authority provided by law.

30 NEW SECTION. **Sec. 18.** Sections 10 through 17 of this act
31 constitute a new chapter in Title 7 RCW.

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