



April 13, 2012

**TO:** The Honorable Mike Davis, Member, California State Assembly

**FROM:** California Bankers Association  
California Chamber of Commerce  
California Financial Services Association  
California Independent Bankers  
California Land Title Association  
California Mortgage Association  
California Mortgage Bankers Association  
United Trustees Association

**RE:** Assembly Bill 1950 (Davis): Mortgages: Enforcement

The trade associations listed above SUPPORT the introduced version of your Assembly Bill 1950, IF AMENDED. The measure indefinitely extends provisions of current law prohibiting a third party from charging a fee or other compensation, to be paid in advance by a borrower, for negotiating or attempting to negotiate, arrange or otherwise offering to perform a residential mortgage loan modification. In 2009, we worked closely with Senator Ron Calderon on Senate Bill 94 to enact this law. Your measure also extends the existing law statute of limitations from one year to three years for prosecution of violations of the loan modification advance fee law.

In addition to the provisions mentioned above, AB 1950 seeks to impose a new \$25 TAX on every notice of default filed. We would support your measure if Government Code Section 27388 were deleted in its entirety from the bill. As such, the measure would no longer impose a new TAX that will ultimately be paid for by housing market participants already reeling from a market in crisis, including financially distressed homeowners. It's notable that not every notice of default filed results in a final foreclosure. In fact, many foreclosure sales are avoided through efforts like loan modifications, short sales and deeds-in-lieu.

*The Honorable Mike Davis*  
*Support for AB 1950 if Amended*  
*April 13, 2012*  
*Page 2*

For the reasons stated, we support your measure, if amended in the manner described. If you have any questions, please do not hesitate to contact us.

Thank you.

cc: Anthony Williams, Policy Director, Senate President pro Tem Darrell Steinberg  
Fredericka McGee, Legislative Counsel, Speaker of the Assembly, John A. Perez  
All Members, Assembly Committee on Public Safety  
Milena Blake, Consultant, Assembly Committee on Public Safety  
Gary Olson, Policy Consultant, Assembly Republican Caucus  
All Members, Assembly Committee on Local Government  
Hank Dempsey, Consultant, Assembly Committee on Local Government  
William Weber, Policy Consultant, Assembly Republican Caucus