

INVITATION FOR COMMENTS
California Departments of
Corporations, Financial Institutions, and Real Estate

DRAFT
CALIFORNIA FORECLOSURE PREVENTION ACT
REGULATIONS

ABX2 7 (Lieu, Chap. 5, Stats. 2009)
SBX2 7 (Corbett, Chap. 4, Stats. 2009)

BACKGROUND

On February 20, 2009, Governor Schwarzenegger signed into law the California Foreclosure Prevention Act (Civil Code Section 2523.52 et seq.).

The California Foreclosure Prevention Act provides specified borrowers an additional 90 days in the home foreclosure process, unless the mortgage loan servicer responsible for servicing the borrower's loan establishes that it has implemented a comprehensive loan modification program, as described in Civil Code Section 2523.53, and the servicer obtains an order, as specified, from the Commissioner of Corporations, Financial Institutions, or Real Estate. The order from the Commissioner of Corporations, Financial Institutions, or Real Estate exempts a mortgage loan servicer from the requirement in Civil Code Section 2523.52(a) that a borrower be provided an additional 90 days in the home foreclosure process.

The Departments of Corporations, Financial Institutions, and Real Estate are required to adopt regulations to clarify the application of Civil Code Sections 2523.52 and 2523.53 (Section 2523.53(d) of the California Foreclosure Prevention Act).

INVITATION

In accordance with Government Code Section 11346(b), the Departments seek to involve parties who would be subject to the regulations and other interested parties in discussions regarding the proposed regulations. Accordingly, the Departments are providing the attached draft regulations and draft servicer survey to the public and interested parties, and invite interested parties to submit comments on these documents by **MAY 6, 2009**.

INVITATION FOR COMMENTS
Draft California Foreclosure Prevention Act Regulations
Comments Requested by May 6, 2009

Submit comments by any of the following means:

Electronic

Comments may be submitted electronically to regulations@corp.ca.gov. Please identify the comments as PRO 05-09, or otherwise indicate the comments are regarding the California Foreclosure Prevention Act.

Mail

California Department of Corporations
Office of Legislation and Policy
Attn: Karen Fong (PRO 05-09)
1515 K St., Suite 200
Sacramento, CA 95814

Fax

(916) 322-5875

Interested parties will have additional opportunities to comment on these draft rules as the Departments progress through the emergency and final rulemaking process. However, the Departments seek comments at this time to provide interested parties the opportunity to provide input into the rulemaking process before the Departments propose emergency regulations, and to provide interested parties the opportunity to begin preparing for the operative date of the act.

ADDITIONAL INFORMATION

The Departments are in the process of developing an electronic application process through the Internet. As a result, the directions in the draft regulations for filing the application will evolve as the electronic application process develops.

CONTACT PERSONS

Questions regarding this rulemaking action may be directed as follows:

Department of Corporations
Colleen Monahan, Deputy Commissioner
(916) 322-3553

Department of Financial Institutions
Ken Sayre-Peterson, Assistant General Counsel
(916) 322-1570

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Comments Requested by May 6, 2009

Department of Real Estate
Daniel Kehew, Real Estate Counsel
(916) 227-0425

DRAFT RULES, INCLUDING APPLICATION

http://www.dre.ca.gov/pdf_docs/2009_foreclosure_prevention0421final_draft.pdf

DRAFT SERVICER SURVEY

http://www.dre.ca.gov/pdf_docs/2009_ForeclosureSurvey_042109.xls