

Fiscal Estimate Narratives

DFI 2/19/2010

LRB Number	09-3079/5	Introduction Number	AB-0729	Estimate Type	Original
Description Residential mortgage loan foreclosures					

Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation creates a process to allow a borrower, who is in default on a first mortgage loan on a residential property, to pursue a loan modification during a mortgage foreclosure action. Under the bill, a first lien residential mortgage holder or servicing agency commencing a foreclosure action must complete a series of steps to determine if a borrower is eligible for a loan modification. If the borrower is eligible for a loan modification, the mortgagee may only commence a foreclosure action if the borrower was offered, in good faith, a modification agreement and the borrower failed to timely accept it.

The Department believes that the proposed statute will not have a fiscal impact on the agency as the provisions of the statute, the resulting loan negotiations and program determinations will fall under the court system and not the Department's statutes and responsibilities.

Long-Range Fiscal Implications

