Fiscal Estimate - 2009 Session

| Original Updated | Corrected Supplemental | | | |
|--|---|--|--|--|
| LRB Number 09-3079/5 | Introduction Number AB-0729 | | | |
| Description Residential mortgage loan foreclosures | | | | |
| Fiscal Effect | | | | |
| Appropriations Rev | ease Existing enues rease Existing enues to absorb within agency's budget enues Percease Costs Decrease Costs | | | |
| Permissive Mandatory Perr 2. Decrease Costs 4. Decr | 5.Types of Local Government Units Affected Towns Village Cities Counties Others School WTCS Districts Districts | | | |
| Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS NA | | | | |
| | SEG [SEGS IVA | | | |
| Agency/Prepared By | Authorized Signature Date | | | |
| DFI/ Bill Morrissey (608) 267-1707 | Bill Morrissey (608) 267-1707 2/19/2010 | | | |

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

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

| Original Updated | | Corrected | | Supplemental | | |
|---|---------------|---|-----------|-----------------|--|--|
| LRB Number 09-3079/5 | | Introduction Number AB-0729 | | | | |
| Description Residential mortgage loan foreclosures | | | | | | |
| I. One-time Costs or Revenue Impacts fo annualized fiscal effect): | r Sta | te and/or Local Governm | ent (do n | ot include in | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | | | | |
| | | Increased Costs | | Decreased Costs | | |
| A. State Costs by Category | | • | | | | |
| State Operations - Salaries and Fringes | | \$0 | | \$0 | | |
| (FTE Position Changes) | | (0.0 FTE) | | (0.0 FTE) | | |
| State Operations - Other Costs | | 0 | | 0 | | |
| Local Assistance | | 0 | | 0 | | |
| Aids to Individuals or Organizations | | 0 | | | | |
| TOTAL State Costs by Category | | \$0 | | \$0 | | |
| B. State Costs by Source of Funds | | | | | | |
| GPR | | | | | | |
| FED | | | | | | |
| PRO/PRS | | | | | | |
| SEG/SEG-S | | | | | | |
| III. State Revenues - Complete this only v revenues (e.g., tax increase, decrease in | vhen licen | proposal will increase of se fee, ets.) | r decreas | e state | | |
| | | Increased Rev | | Decreased Rev | | |
| GPR Taxes | | \$ | | \$ | | |
| GPR Earned | | | | | | |
| FED | | | | | | |
| PRO/PRS (0) | | 0 | | 0 | | |
| SEG/SEG-S | | | | | | |
| TOTAL State Revenues | | \$0 | | \$0 | | |
| NET ANNU | ALIZ | ED FISCAL IMPACT | | | | |
| | | State | Local | | | |
| NET CHANGE IN COSTS | | \$0 | | \$ | | |
| NET CHANGE IN REVENUE | | \$0 | | \$ | | |
| | | | | | | |
| Agency/Prepared By | | thorized Signature | | Date | | |
| DFI/ Bill Morrissey (608) 267-1707 | Bill | Il Morrissey (608) 267-1707 2/19/201 | | | | |