



The Honorable Marty Block
Chair, Senate Committee on Banking and Financial Institutions
State Capitol, Room 4072
VIA EMAIL: Rae.Flores@sen.ca.gov

Re: SB 1150 (Leno) – SUPPORT

Dear Chairman Block,

I write this letter in strong support of SB 1150.

CALPIRG was a strong supporter of the Homeowner Bill of Rights in 2012, in particular AB 270 and SB 900 which most notably addressed the problem of "dual tracking", or foreclosing on a homeowner while they are simultaneously working to modify their loan. We want to ensure the basic consumer protections in the Homeowners Bill of Rights are extended to widows and widowers.

Currently, widows, widowers and certain heirs are being denied a fair chance to remain in their homes, as mortgage servicers deny them communication, information, and the opportunity to be considered for a loan modification. Without the right to basic information about the loan, and the right to be considered for a loan modification and a simultaneous loan assumption, family members are being unfairly foreclosed upon and forced from their homes during a difficult time in their lives.

This issue presents itself when a family member who is the sole borrower named on a home loan passes away. The surviving family members who wish to continue paying the mortgage loan, may have difficulty assuming the deceased borrower's loan and/or affording the current mortgage payment with the loss of the deceased's income. Surviving family members may then seek a loan assumption and modification, only to be refused by the mortgage servicer because their name is not on the loan, even when the surviving family member has a legal property interest in the home.

During this difficult and unfortunate period when the loss of a loved one is still fresh, family members should not have to deal with the added stress of losing their homes. In 2012, with the passage of the Homeowner Bill of Rights (HBOR), the state of California provided strong due process protections to similar vulnerable homeowners. But banks and loan servicers argue that HBOR does not protect surviving spouses and other successors in interest.

The effect of all this is that survivors and successors in interest have FEWER rights and LESS ability to retain their homes than other homeowners. This is a horrible outcome that the Legislature did not foresee when HBOR was debated and passed.

This is why we stand in strong support of SB 1150. The bill will provide surviving family members with the opportunity to receive basic information about the loan, request an assumption and loan modification, and be given a fair consideration as to whether they will be able keep their home.

Respectfully,

A handwritten signature in black ink that reads "Emily Rusch". The signature is written in a cursive, flowing style.

Emily Rusch
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