

2013 California Homeowner Bill of Rights

When will the Homeowner Bill of Rights Commence in California?

It is no secret that California homeowners are losing their homes fast and new homeowners are not purchasing many homes in 2012. Finally relief may come to the next 700,000 California homeowners waiting to be foreclosed on currently. This is a surge from 1 million foreclosed homes during 2008-2011, a four year period. I think it's safe to say California was in desperate need of judicial intervention.

In January 2013 the California Homeowner Bill of Rights will commence and comes with much backing from the legislative community. California Attorney General, Kamala Harris stated to the San Francisco Chronicle, "I think we all should feel very good that we have done something that is the right thing to do." Harris is referring to the much wanted help for homeowners all over the state. The new Bill of Rights will assist homeowners for example who have sought out numerous loan modifications to no avail after having their mortgage increased in large percentages due to adjustable-rate mortgages and other circumstances.

The much anticipated Homeowner Bill of Rights in California will be the end to many major concerns regarding foreclosures in California. Currently, a lender can follow through with foreclosure actions against a borrower even if the homeowner is currently seeking a loan modification, this is known as dual-tracking. The new Bill of Rights will ban any dual-tracking from transpiring in the State of California, giving the homeowner an opportunity to modify their loan.

Further, banks must provide all borrowers with an individual contact person to discuss their loan concerns and modification needs. All too often borrowers spend hours on the telephone trying to hunt down a representative or loan officer who can assist them, only not to find a single person who can answer questions or leave numerous unreturned messages. Another landmark change will be loan modification decisions. The new Homeowner Bill of Rights will require each and every lender to send a borrower applying for a loan modification an approval or denial letter with a clear explanation of their decision.

One would imagine until the foreclosure crisis, in not only California, but the United States as a whole, lenders were double, if not triple checking mortgage documents. However, after all the litigation over the past four years this is clearly not what took place. The HBRC will force the banks to verify each and every document page before foreclosing, and they must provide the borrower with copies upon request. In the event, a lender violates any of the new requirements a borrower now will have a legal remedy under the California Homeowner Bill of Rights and can sue lenders for "significant, material violations" of the law. Lenders will be fined \$7,500 for each loan filed and

recorded with unverified mortgage documents. The only limit to this potential litigation is that it applies to first-lien mortgages considered owner-occupied.

One of the lawmakers, who introduced the new bill, Los Angeles Assemblyman Mike Feuer, had some blissful words for current CA homeowners and future homebuyers. “If the rules of the game are violated, borrowers have the right to say no. They will not be kicked out of the home they have lived in for decades unless the rules are followed.”

To no surprise the big lenders opposed the new legislation and feel it will delay the US economy growth. Claiming California will hold the rest of the US back with their new Bill of Rights. The California Chamber of Commerce, Title Insurance companies, Realtors, Trustees, United Trustee Association and security reps all agree with the large banks and disagree with the new potential CA law. Lawmakers and bank executives are even threatening consumers that they will have a much more difficult time obtaining loans in the future if this law comes to pass.

Consumers with any questions regarding the new California Homeowner Bill of Rights in the Southern California area should contact Gersten Law Group. Attorney, Ehud Gersten, is an expert in foreclosure law and defends homeowners in a foreclosure crisis in the Los Angeles and San Diego areas. Contact Los Angeles Foreclosure Attorney Gersten at **619-600-0098** or **310-882-5440** or by email to schedule a consultation.