

HB 2623 -- Regulating Foreclosure of Residential Real Estate (Unemployment)

RECOMMENDATION: The Seattle/King County VOP Committee recommends that Vincentians speak up **IN SUPPORT** of this bill.

CAUTIONARY NOTE-- need to watch over coming days to be sure this bill passes out of committee. If it dies, our advocacy will not be needed. If you can, [PLEASE SPEAK UP TODAY](#) while the committee is still considering it.

Background:

Most Washington State mortgages are actually in the form of Deeds of Trust. These can be foreclosed on without going to court. Foreclosure (the trustee selling the property to pay off the mortgage) can take place as soon as 190 days after a default in payment.

The problem:

- In this economy many hardworking Americans cannot find work in 190 days despite diligent efforts.
- Average length of unemployment in Dec 2009 is 29.1 weeks (203 days). Almost 40% of unemployed workers are unemployed more than 27 weeks (189 days). [Source: [US Bureau of Labor Statistics](#)]
- Just one year earlier, in Dec 2008, average length of unemployment was only 19.5 weeks (137 days) with only 23% over 27 weeks. The change in 2009 has been significant and negative.

This bill would:

- * Prevent foreclosure on Deeds of Trust for 1 year after an owner-resident has begun receiving unemployment benefits
- * Charge a \$25 recording fee on foreclosures that do happen
- * Make permanent a requirement that a notice of default (first step to foreclosure) cannot be issued until the borrower (bank, etc) has contacted the homeowner to explore alternatives.