

State of California ~ Department of Justice

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California Homeowner Bill of Rights Signed into Law

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LOS ANGELES -- Attorney General Kamala D. Harris announced that the Homeowner Bill of Rights, which will protect homeowners and borrowers during the mortgage and foreclosure process, was signed into law today by Governor Edmund G. Brown Jr.

The Homeowner Bill of Rights prohibits a series of inherently unfair bank practices that needlessly forced thousands of Californians into foreclosure. The law restricts dual-trigger foreclosures, where a lender forecloses on a borrower despite being in discussion with the borrower to modify the loan or provide a loan modification to save the home. It also guarantees struggling homeowners a single point of contact with their lender with knowledge of their loan and direct access to decision makers, and imposes penalties on fraudulently signed mortgage documents. In addition, homeowners are required to document their right to foreclose.

The laws will go into effect on January 1, 2013, and borrowers can access courts to enforce their rights under this legislation.

The Homeowner Bill of Rights builds upon and extends reforms first negotiated in the 2008 national mortgage settlement between 49 states and leading lenders. Attorney General Harris secured up to \$18 billion for California homeowners in that agreement, and has established the Mortgage Fraud Strike Force to investigate crime and fraud associated with mortgage foreclosures.

“The California Homeowner Bill of Rights will give struggling homeowners a fighting chance to keep their home,” said Attorney General Harris. “This legislation will make the mortgage foreclosure process more fair and transparent, which will benefit homeowners, the economy, and the housing market as a whole.”