

CERTIFICATION OF ENROLLMENT

ENGROSSED SENATE BILL 6033

61st Legislature
2009 Regular Session

Passed by the Senate April 21, 2009
YEAS 48 NAYS 0

President of the Senate

Passed by the House April 9, 2009
YEAS 98 NAYS 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 6033** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SENATE BILL 6033

AS AMENDED BY THE HOUSE

Passed Legislature - 2009 Regular Session

State of Washington **61st Legislature** **2009 Regular Session**

By Senators Berkey, Fairley, Kauffman, McAuliffe, Tom, Marr, Prentice, Shin, Fraser, Kohl-Welles, Eide, McDermott, Jarrett, Regala, Hobbs, Kline, Jacobsen, Murray, Franklin, Hatfield, Kilmer, Haugen, Hargrove, and Sheldon

Read first time 02/16/09. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to creating the prevent or reduce owner-occupied
2 foreclosure program; amending RCW 43.320.160, 43.320.165, and
3 43.320.170; adding a new section to chapter 43.320 RCW; repealing RCW
4 43.320.160, 43.320.165, and 43.320.170; and providing an effective
5 date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 43.320.160 and 2008 c 322 s 1 are each amended to read
8 as follows:

9 (1) The (~~smart homeownership choices~~) prevent or reduce owner-
10 occupied foreclosure program is created in the department to assist
11 (~~low income and moderate income households, as defined in RCW~~
12 ~~84.14.010,~~) borrowers facing foreclosure in achieving work-outs, loan
13 modifications, or other results that keep them in their homes. The
14 borrowers are households, families, and individuals who are residents
15 of Washington state, with an emphasis on borrowers with incomes up to
16 one hundred forty percent of median income level of the county in which
17 the borrower resides.

18 (2) The department shall enter into an interagency agreement with
19 the Washington state housing finance commission to implement and

1 administer this program with moneys from the account created in RCW
2 43.320.165. The Washington state housing finance commission will
3 request funds from the department as needed to implement and operate
4 the program.

5 (3) The commission shall, under terms and conditions to be
6 determined by the commission, in consultation with the department,
7 ~~assist homeowners who are ((delinquent on their mortgage payments to~~
8 ~~bring their mortgage payments current in order to refinance into a~~
9 ~~different loan product))~~ facing foreclosure in achieving work-outs,
10 loan modifications, or other results that keep them in their homes.
11 ~~((Financial assistance received by homeowners under this chapter shall~~
12 ~~be repaid at the time of refinancing into a different loan product.~~
13 ~~Homeowners receiving financial assistance shall also agree to partake~~
14 ~~in a residential mortgage counseling program.))~~ Moneys may also be
15 used for outreach activities to raise awareness of this program;
16 creating and maintaining a pool of volunteers consisting of attorneys,
17 accountants, banking professionals, mortgage brokers, housing
18 counselors, and other relevant professionals who participate in the
19 program as needed and without compensation to provide advice and
20 representation to the borrower in achieving work-outs, loan
21 modifications, or other results that keep them in their homes; and
22 administering assignments of volunteers to borrowers in the most
23 productive manner. Not more than four percent of the total
24 appropriation for this program may be used for administrative expenses
25 of the department and the commission.

26 (4) The commission must provide an annual report to the legislature
27 at the end of each fiscal year of program operation. The report must
28 include information ~~((including the total number of households seeking~~
29 ~~help to resolve mortgage delinquency, the number of program~~
30 ~~participants that successfully avoided foreclosure, and the number of~~
31 ~~program participants who refinanced a home, including information on~~
32 ~~the terms of both the new loan product and the product out of which the~~
33 ~~homeowner refinanced))~~ determined by the prevent or reduce owner-
34 occupied foreclosure oversight committee established under section 4 of
35 this act to be useful in assessing the success of the program. The
36 commission shall establish and report upon performance measures,
37 including measures to gauge program efficiency and effectiveness and
38 customer satisfaction.

1 ~~income households, as defined in RCW 84.14.010, through the smart~~
2 ~~homeownership choices program)).~~

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.320 RCW
4 to read as follows:

5 (1) The housing finance commission shall establish a prevent or
6 reduce owner-occupied foreclosure oversight committee to consist of:

7 (a) One member from each of the two largest caucuses of the senate,
8 appointed by the president of the senate;

9 (b) One member from each of the two largest caucuses of the house
10 of representatives, appointed by the speaker of the house of
11 representatives;

12 (c) The director of the department of financial institutions as an
13 ex officio member;

14 (d) The executive director of the housing finance commission as an
15 ex officio member;

16 (e) A representative of the Washington state bar association;

17 (f) A representative of the office of civil legal aid;

18 (g) A representative of a banker's association;

19 (h) A representative of the Washington state board of accountancy;

20 (i) A representative of community banks;

21 (j) A representative of mortgage brokers;

22 (k) A representative of housing counselors; and

23 (l) A representative of credit unions.

24 (2) The members of the prevent or reduce owner-occupied foreclosure
25 oversight committee shall serve without compensation.

26 (3) The prevent or reduce owner-occupied foreclosure oversight
27 committee shall serve as the housing finance commission's principal
28 advisory body on the prevent or reduce owner-occupied foreclosure
29 program, and must:

30 (a) Develop criteria for success of the program that may include:
31 Number of borrowers served; number of work-outs achieved; amount of
32 homeowner funds received for homeowner stabilization; and number of
33 volunteer professionals participating;

34 (b) Periodically evaluate the effectiveness of the program
35 according to the criteria developed under (a) of this subsection;

36 (c) Develop and maintain an inventory of state and federal housing
37 assistance programs directed to stabilize owner-occupied homes; and

1 (d) Coordinate all state efforts related to prevention or reduction
2 of owner-occupied foreclosures.

3 (4) Any of the duties under subsection (3) of this section may be
4 delegated to the executive director of the housing finance commission.

5 (5) The prevent or reduce owner-occupied foreclosure oversight
6 committee shall meet regularly.

7 (6) The housing finance commission must provide information and
8 assistance as requested for the prevent or reduce owner-occupied
9 foreclosure oversight committee to carry out its duties under this
10 section.

11 (7) Staff support for the committee must be provided by the housing
12 finance commission.

13 NEW SECTION. **Sec. 5.** The following acts or parts of acts, as now
14 existing or hereafter amended, are each repealed, effective June 30,
15 2011:

16 (1) RCW 43.320.160 (Smart homeownership choices program--Report)
17 and section 1 of this act & 2008 c 322 s 1;

18 (2) RCW 43.320.165 (Smart homeownership choices program account)
19 and section 2 of this act & 2008 c 322 s 2;

20 (3) RCW 43.320.170 (Smart homeownership choices program--
21 Expenditures--Low-income households--Moderate-income households) and
22 section 3 of this act & 2008 c 322 s 3; and

23 (4) Section 4 of this act.

--- END ---