



Civil Code Requires Lenders to Record Their Trustee's Deed Within 30 Days – Or Else, Nothing!

We have been receiving a number of inquiries regarding [Assembly Bill 2273](#) that was signed into law by the Governor, effective as of January 1, 2013, that amends Civil Code Section 2924b. This new law requires: (1) recordation of a trustee's deed upon sale within 30 days of the sale; and (2) a copy of a recorded trustee's deed upon sale to be provided to an association **within 15 days of the trustee's sale**, provided that the association has recorded the statutorily required request for notice on the subject property pursuant to Section 2924b(f) prior to the recordation of the trustee's notice of default. (Currently, the copy of the recorded trustee's deed must be provided to associations **within 15 days of the date the trustee's deed upon sale is recorded.**)

This new law would seem to suggest that lenders will be required to both record a trustee's deed upon sale and provide a recorded copy of same to an association (that had properly recorded a request for notice prior to the notice of default) within 15 days of the lender's sale of the property, notwithstanding the other general requirement that a trustee's deed upon sale be recorded within 30 days of the sale. **Unfortunately, this new law is of no practical effect because there is no penalty or sanction if the lender/trustee does not comply with the statute.** In fact, the statute specifically states that failure to comply shall not affect title to the property.

As we have previously advised our community association clients, there is little advantage and nothing to warrant the cost of recording a blanket notice under Civil Code Section 2924b(f) because: (1) there is no penalty for non-compliance by a trustee; and (2) if an owner is delinquent in paying their lender, they are also likely delinquent in paying assessments to the association, in which case any assessment collection company worth their salt (like our affiliate [Association Lien Services](#)) would include a request for notice of the trustee's deed upon sale under the assessment lien anyway.

However, if for some reason your association is experiencing difficulty in tracking down lenders that own properties in your association, SwedelsonGottlieb can prepare the blanket Request for Notice and record the same in the office of your county recorder for a fixed fee of \$240, plus the cost of recordation. The fixed fee includes the following:

1. Written request for Trustee Deeds of Sale that would be tailored to the Association and each owner's APN;
2. Review the Association's Governing Documents and their applicable authority;
3. Investigation and determination of the APN for each of the residences in the Association for inclusion in the Notice; and
4. Emails and telephone calls with the Board or Association's managing agent concerning the Request for Notice, follow up information, validity issues, *etc.*, forwarding the request to the County Recorder's office for recordation, confirming recordation number and, upon receipt of same, providing the Association with a copy of the recorded Request for Notice.

Please contact Mark Petrie at mark@sghoalaw.com or 310-207-2207 if you would like SwedelsonGottlieb to assist you.