



California Mortgage
Bankers Association
Since 1955



CMBA Member Alert - Update on CA Foreclosure Moratorium!

The California Mortgage Bankers Association is committed to keeping our members abreast of the ever-changing regulatory environment for the mortgage banking industry. **One of the major changes we will see in 2009 is the imposition of a 90-day moratorium, beginning in June. It is critical that your company is aware of the details of this change.**

On February 20, 2009, Governor Schwarzenegger signed [ABX2 7](#) and [SBX2 7](#), which established the California Foreclosure Prevention Act. The California Foreclosure Prevention Act modifies the foreclosure process to provide additional time for borrowers to work out loan modifications while providing an exemption for mortgage loan servicers that have implemented a comprehensive loan modification program. **Civil Code Section 2923.52 requires an additional 90 day period beyond the period already provided before a Notice of Sale can be given in order to allow all parties to pursue a loan modification to prevent foreclosure of loans meeting certain criteria identified in that section.**

A mortgage loan servicer who has implemented a comprehensive loan modification program may file an [application for exemption](#) from the provisions of Civil Code Section 2923.52. Approval of this application provides the mortgage loan servicer an exemption from the additional 90-day period before filing the Notice of Sale when foreclosing on real property as designated by this Section. Below is a timeline for the adoption of regulations under this new law.

The new law will be operative 14 days after the issuance of regulations. As set forth in this timeline, **the anticipated operative date of the law is June 15, 2009.**

April 21, 2009

Draft rules and application will be released by April 21, 2009, for public discussion (Government Code Section 11346.45).

May 6, 2009

The Department requests interested parties to submit comments and concerns on the draft rules by May 6, 2009.

May 14, 2009

After evaluating the comments received and incorporating changes, draft emergency regulations will be released on or before May 14, 2009, for a 5-working day comment period (Government Code Section 11346.1).

May 21, 2009

After evaluating comments received during the 5 working-day comment period and incorporating necessary changes, final emergency regulations will be filed with the Office of Administrative Law on May 21, 2009, starting the Office of Administrative Law's 10-day review (Government Code Section 11349.6).

June 1, 2009

The department will request that the Office of Administrative Law file the emergency regulations with the Secretary of State on June 1, 2009.

June 15, 2009

On June 15, 2009, the law will become operative.

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