Initiative Measure No. 1104

FILED
MAY 07 2010
SECRETARY OF STATE
STATE OF WASHINGTON

1 AN ACT Relating to home foreclosures; and adding a new section to
2 chapter 43.320 RCW.

3 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.320 RCW
5 to read as follows:
6 (1) A financial institution may not foreclose on any real property
7 in which the mortgage obligor would be able to make timely payments if:
8 (a) The obligor can adjust with the financial institution that
9 holds the mortgage loan the balance owing on the loan to current market
10 price; or
11 (b) The obligor receives a reduction of two percent in interest
12 loan rate charged by the current financial institution holding the
13 mortgage loan. The minimum interest rate shall not be less than four
14 percent after reduction.
15 (2) A financial institution must contact the obligor in writing
16 using a trackable source such as certified mail or courier service of
17 the option chosen under subsection (1) of this section.
18 (a) The obligor has ninety days to exercise the option.
19 (b) Time begins when notice is received and signed for.

(c) If a courier is unable to deliver the notice and returns the notice to the financial institution, the financial institution must attempt to serve notice two additional times. If the first notice is returned undeliverable, then time begins when second notice is sent.

(3) A financial institution must offer at least one of the options in subsection (1) of this section to obligors at least ninety days prior to foreclosing on investment property.

(4) A financial institution must offer both options which may be enacted simultaneously for property that is:

(a) An obligor's primary or second home;

(b) Used primarily for agriculture, including land and buildings; or

(c) Housing for low-income families.

(5) If after ninety-one days the obligor does not exercise options under this act, the financial institution may foreclose on the real property.

(6) Real property that is in foreclosure processing on the effective date of this section is subject to this section.

(7) Real property that is foreclosed but not sold on the effective date of this section is subject to this section and the obligor that was foreclosed on may obtain the property back subject to the conditions of this section.

(8) The director may adopt rules as necessary to implement this section.

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