

To the Honorable Kamala D. Harris
Attorney General of the State of California

California Homeowners and
I, the undersigned David A. Benson, a citizen of the State of California
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Do hereby request a Title and Summary for the attached proposed
initiative constitutional amendment.

Signed



11-0014

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure expressly amends the California Constitution by amending a article and by adding sections thereto of the Article 1 dealing with Declaration Of Rights.

PROPOSED AMENDMENT

FORECLOSURE MODIFCATION ACT

SECTION 1. Title

This act shall be known as the "Foreclosure Modification Act".

SECTION 2. Findings and Declarations

The People of the State of California hereby find and declare that:

- (a) Real estate lending institutions have failed to provide a simple method of loan modification and foreclosure prevention.
- (b) That lending institutions, loan servicers, mortgagees, trustees and beneficiaries of home loans are not taking into account the devalue that has occurred in property values and adjusted loans accordingly in loan modifications.
- (c) That borrowers would continue to make payments on notes held by these lending institutions, loan servicers, mortgagees, trustees and beneficiaries, if given the opportunity.
- (d) That foreclosure has become a method of increasing a lending institution, loan servicer, mortgagee, trustee and beneficiary's bottom line and profits by turning borrowers out of their homes.
- (e) That currently it is a time consuming and sometimes costly process that is required by lending institutions, loan servicers, mortgagees, trustees and beneficiaries for refinancing of a home loan in order that a borrower may take advantage of lower interest rates.

Foreclosure Modification Act cont'd

SECTION 3. Purposes and Intent

The People of the State of California do hereby enact this measure to:

- (a) Assist all citizens of this great State of California in the purchase and ownership of a home or property and that associated therewith.
- (b) Make available principal reduction as well as but not limited to interest rate reduction a method of aiding borrowers in retaining their home or property.
- (c) Prevent the lost of one's personal home property by foreclosure or other means due to hardship or illness or other calamity.
- (e) Make refinance for a lower interest rate and payment simple, easy and available to all homeowners.

SECTION 4. Article 1 of the California Constitution is amended, with the addition of SEC. 31 to read:

It is a fundamental right for every Californian to purchase and own a home and real property. As such no township, city, county, municipality, corporate entity, the Legislature or agents thereof shall infringe on this given right of the State of California to its citizens. In that this right is granted to the citizens of California, the State and its agents (townships, cities, counties, legislature and departments thereof) shall endeavor to assist and encourage the ownership of a personal home or property and such as related to same.

No citizen of the State of California shall lose or have that deemed as their personal home or property taken by foreclosure or any instrument thereof or similar to. In the event of non payment in the time defined by standard loan contracts, due to financial hardship or illness by the home or property borrower, then the lending institution, loan servicers, mortgagees, trustees and beneficiaries shall make every effort to assist California borrowers and in the event of a reduction of local property values of more then 10%, a reduction of principal to reflect the new value shall be used, as well as to reschedule payments and or reduce interest rates and or refinance without credit review of the loan in order to bring said loan current.

SEC. 31 cont'd.

In addition any such loan issued for and secured by a home or property by any lending institutions, loan servicers, mortgagees, trustees and beneficiaries doing business in the State of California, shall be able to be refinanced without credit review or penalty at minimum cost, within 45 days of being requested, by the original loan borrower or home owner, provided said owner or borrower has maintained said loan for a period of no less than 3 years. All borrowers shall have the right and the ability to meet in person if desired, with an agent of the lending institutions, loan servicers, mortgagees, trustees and beneficiaries in order to facilitate any required review with said agent who will be authorized to make any changes in loan terms at that time.

This shall apply also to property taxes, fees and levies collected on a citizen's home by any township, city, county, municipality, political subdivision or agents thereof. These groups shall make every effort possible to assist the home owner in the payment of current or back property taxes or assessments, even to the extent of allowing payments on a weekly or monthly schedule at no additional cost or interest thereof, in order that the citizen may retain their personal home or property. This does not prohibit those laws dealing with mechanics liens and lien laws, but is in addition to same.