

October 14, 2010
Initiative 10-0021

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

REQUIRES LENDERS OR OTHER MORTGAGE HOLDERS, UPON BORROWER'S REQUEST, TO CONVERT ADJUSTABLE-RATE LOAN TO THIRTY-YEAR FIXED RATE LOAN AND REDUCE LOAN PRINCIPAL TO PROPERTY'S CURRENT FAIR

MARKET VALUE. INITIATIVE STATUTE. Limits new loan's value to sum of the property's current market value, plus amount of certain cash distributions under the first mortgage. Extinguishes borrower's obligations on prior loans secured by the property. Prohibits reporting loan conversion to consumer credit agencies. Requires lenders to consent to short sale of nonowner-occupied property, upon borrower's request. Applies retroactively. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **The fiscal effect of this measure on state and local government is probably insignificant.** (10-0021.)