

Fiscal Estimate Narratives

DFI 5/24/2011

LRB Number	11-1948/1	Introduction Number	AB-0137	Estimate Type	Original
Description Residential mortgage loan foreclosures					

Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation creates a process to allow a borrower, who is in default on a first mortgage loan on a residential property, to pursue a loan modification during a mortgage foreclosure action. Under the bill, a first lien residential mortgage holder or servicing agency commencing a foreclosure action must complete a series of steps to determine if a borrower is eligible for a loan modification. If the borrower is eligible for a loan modification, the mortgagee may only commence a foreclosure action if the borrower was offered, in good faith, a modification agreement and the borrower failed to timely accept it.

The Department believes that the proposed statute will not have a fiscal impact on the agency as the provisions of the statute, the resulting loan negotiations and program determinations will fall under the court system and not the Department's statutes and responsibilities.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Residential mortgage loan foreclosures			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$0	\$0	
(FTE Position Changes)	(0.0 FTE)	(0.0 FTE)	
State Operations - Other Costs	0	0	
Local Assistance	0	0	
Aids to Individuals or Organizations	0		
TOTAL State Costs by Category	\$0	\$0	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS	0	0	
SEG/SEG-S			
TOTAL State Revenues	\$0	\$0	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$0	\$	
NET CHANGE IN REVENUE	\$0	\$	
Agency/Prepared By		Authorized Signature	Date
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