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## **SB 71 IS BAD PUBLIC POLICY**

With respect and regrets to Senator Giron, the IBC opposes this bill and asks for your NO vote on Senate Bill 71.

- Senate Bill 71 will unfairly drive local community lenders like community banks even further out of residential mortgage lending.
- Community banks and other local lenders did not cause the residential mortgage collapse or the resulting foreclosure problem.
- This bill creates endless possibilities for delay and court intervention and ongoing attorney's fees for lenders and borrowers.
- It will create potential, never ending property title issues for potential buyers of foreclosed properties.
- This bill will only serve to stifle Colorado's residential housing market.

Every year since 2008, there have been compromise bills with the full involvement of the spectrum of interested parties, with bipartisan support, in which the IBC actively participated, principally Foreclosure Counseling Hotline legislation and foreclosure time out legislation giving borrowers more time to work with a counselor to try to work out a loan extension or modification with the lender.

Each of these laws has provided and will continue to provide relief to stressed borrowers who seek help.

The recent \$204.6 million settlement share for Colorado's distressed borrowers proves that existing laws work and are enforced.

It is reported that more settlements are on the way to help distressed borrowers.

### **In summary, enough please.**

- This bill's added regulatory burden and costs to local community lenders is unjustified.
- The increased litigation costs for troubled borrowers will not help them.
- Making it harder to sell foreclosed properties because titles can be impaired indefinitely is bad public policy.

The IBC makes a commitment to work with Senator Giron and the advocates this summer, but this is not the vehicle.

**Please vote NO on SB 71.**

Thank you for considering the views of the Independent Bankers of Colorado, the state's largest banking trade association *exclusively* representing the voice of community banks throughout Colorado.