

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 10-0588  
**Prime Sponsor(s):** Sen. Morse  
 Rep. Kerr A.

**Date:** January 30, 2010  
**Bill Status:** Senate SVMA  
**Fiscal Analyst:** Harry Zeid (303-866-4753)

**TITLE:** CONCERNING INCREASING THE RIGHTS OF HOMEOWNERS, AND, IN CONNECTION THEREWITH, ENACTING THE "HOMEOWNER PROTECTION ACT OF 2010".

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature. The bill applies to foreclosure actions filed with a public trustee on or after that date.		
<b>Appropriation Summary for FY 2010-2011:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

The bill creates the Homeowner Protection Act of 2010. Current law requires the holder of a residential mortgage to send written notice to a debtor 30 days prior to filing a foreclosure. SB10-045 changes the time to 60 days and requires the notice to include information concerning the holder's duty to negotiate for a mutually acceptable agreement to avoid foreclosure; and if a foreclosure action is commenced, the duty of the holder to participate in mediation. The mortgage holder must negotiate for a mutually acceptable agreement prior to commencing a foreclosure action.

The bill requires mediation in all foreclosure cases. Mediation requirements for the court, mediator, debtor and residential mortgage holder are outlined in the bill. The bill also directs the Colorado Supreme Court to adopt rules concerning who is qualified to act as a mediator in foreclosure cases.

**State Expenditures**

Given the current volume of court filings from foreclosure actions the bill will cause a slight increase in the clerical needs of the Judicial Branch. Overall, the additional workload is estimated to be under 400 hours per year. This is within the absorbable range for the Judicial Branch and will not result in any change in personal services. Therefore, no additional appropriation is necessary.

The requirement that the Supreme Court adopt rules and specify qualifications for foreclosure mediators can be addressed as part of the responsibilities of existing staff.

**Departments Contacted**

Judicial