



DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE NEWS RELEASE

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Mortgage Initiative Enters Circulation

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.

SACRAMENTO – Secretary of State Debra Bowen today announced that the proponent of a new initiative may begin collecting petition signatures for her measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponent and to the Secretary of State. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials, and the initiative may be circulated for signatures. The Attorney General's official title and summary for the measure is as follows:

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.)

The Secretary of State's tracking number for this measure is 1474 and the Attorney General's tracking number is 10-0021.

The proponent for this measure, Barbara Moseby, must collect signatures of 433,971 registered voters – the number equal to five percent of the total votes cast for governor in the 2006 gubernatorial election – in order to qualify it for the ballot. The proponent has 150 days to circulate petitions for this measure, meaning the signatures must be collected by March 14, 2011.

The initiative proponent can be reached at marvinmoseby@msn.com. No phone number was provided.

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