



New California Laws Impacting Real Estate Effective January 1, 2011

Senate Bill 931. No Short Sale Deficiencies - A seller's first trust deed lender cannot obtain a deficiency judgment against the seller after a short sale. Providing written consent to a short sale shall obligate the first trust deed lender to accept the sales proceeds as full payment and discharge of the remaining amount owed on the loan. This applies to first trust deeds secured by one-to-four residential units, but it does not limit the lender from seeking damages for fraud or waste by the borrower.

Assembly Bill 1809 and California Civil Code section 2079.10. Energy Audit in Home Inspection Report - A home inspection and inspection report may, upon a client's request, include an audit of the energy efficiency of a home, according to the standards of the Home Energy Rating Systems (HERS). REALTORS® are encouraged to provide new HERS booklet to residential buyers, and delivery of this booklet will be adequate to inform the buyer about statewide HERS program.

Assembly Bill 1684. Restriction on Adverse Possession Claim - A claim for adverse possession requires, among other things, certified records of the county tax collector showing that all state, county, or municipal taxes have been timely paid for the five-year period the property has been occupied and claimed. Existing law merely requires proof that taxes have been paid for the five-year period, not certified proof of timely payments.

Senate Bill 1137. Enforcement of Mortgage Loan Originator Requirements - Anyone acting as a mortgage loan originator (MLO) without an MLO license endorsement will be guilty of a crime punishable by six months imprisonment plus a \$20,000 fine. And a broker cannot employ or compensate a real estate licensee for MLO activities unless that licensee has a license endorsement. This law has also given the Department of Real Estate (DRE) the authority to deny or revoke a MLO license endorsement or take other action. This amends the MLO requirements for finance lenders and residential mortgage lenders under the Department of Corporation.

Senate Bill 1149. Post-Foreclosure Protection for Tenants - A notice to terminate a residential tenant who remains after a foreclosure sale must generally include a statutory notice of the tenant's rights. This requirement applies to an immediate successor-in-interest for one year after a foreclosure sale. The tenant's rights must be on a separate cover sheet or, for a 90-day termination, incorporated into the notice to terminate. Another provision of this bill protects a residential tenant's credit by generally prohibiting the court clerk from revealing unlawful detainer court records unless the plaintiff prevails at trial.

Senate Bill 782. Tenant Protection for Domestic Violence Victims - A residential landlord cannot terminate or fail to renew a tenancy based on domestic violence against the tenant or tenant's household members as specified. This law applies if the person restrained from contact with the tenant by court order or named in a police report is not also a tenant of the same dwelling unit. If the protected tenant subsequently allows the person restrained to visit the property, or the landlord reasonably believes the person restrained poses a physical threat to others or to quiet possession by other tenants, the landlord may serve a three-day notice to correct or quit.

Assembly Bill 2325. Expanding the foreclosure consultant law to include someone who performs a forensic audit of a residential mortgage loan.

Assembly Bill 1373. Requiring any mailed solicitation that offers to provide a copy of an owner's grant deed or other title records for a fee to include a prominent statutory disclosure that the copy service is not associated with any governmental agency and that the homeowner can obtain such records from the county recorder.

Assembly Bill 1800. Increasing the criminal punishment for renting out a residential dwelling without the owner's consent from six months imprisonment plus a \$1,000 fine, to one year imprisonment, plus a \$2,500 fine.

To view the official text and other new laws, please go to www.leginfo.ca.gov.

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