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Gov. signs SB 458 into law

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For release:
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CALIFORNIA ASSOCIATION OF REALTORS® applauds Gov. Brown on signing SB 458 into law

LOS ANGELES (July 15) – The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) applauds Gov. Jerry Brown on signing SB 458 (Corbett) into law. SB 458 extends the protections of SB 931 (2010), to ensure that any lender that agrees to a short sale must accept the agreed upon short sale payment as payment in full of the outstanding balance of all loans.

Under previous law (SB 931 of 2010), a first mortgage holder could accept an agreed-upon short sale payment as full payment for the outstanding balance of the loan, but unfortunately, the rule did not apply to junior lien holders. SB 458 extends the protections of SB 931 to junior liens.

"The signing of this bill is a victory for California homeowners who have been forced to short sell their home only to find that the lender will pursue them after the short sale closes, and demand an additional payment to subsidize the difference," said C.A.R. President Beth L. Peerce. "SB 458 brings closure and certainty to the short sale process and ensures that once a lender has agreed to accept a short sale payment on a property, all lienholders – those in first position and in junior positions – will consider the outstanding balance as paid in full and the homeowner will not be held responsible for any additional payments on the property."

SB 458 contains an urgency clause making it effective upon signing.

Leading the way...® in California real estate for more than 100 years, the CALIFORNIA ASSOCIATION OF REALTORS® (www.car.org) is one of the largest state trade organizations in the United States, with nearly 160,000 members dedicated to the advancement of professionalism in real estate. C.A.R. is headquartered in Los Angeles.

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