MINUTES OF THE
SENATE COMMITTEE ON JUDICIARY

Seventy-Seventh Session
April 4, 2013

The Senate Committee on Judiciary was called to order by Chair Tick Segerblom at 8:07 a.m. on Thursday, April 4, 2013, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Tick Segerblom, Chair
Senator Ruben J. Kihuen, Vice Chair
Senator Aaron D. Ford
Senator Justin C. Jones
Senator Greg Brower
Senator Scott Hammond
Senator Mark Hutchison

STAFF MEMBERS PRESENT:

Mindy Martini, Policy Analyst
Nick Anthony, Counsel
Martha Barnes, Committee Secretary

OTHERS PRESENT:

Venicia Considine, Legal Aid Center of Southern Nevada
Bill Uffelman, President and CEO, Nevada Bankers Association
George Ross, Bank of America
Keith J. Tierney, Director, Civil Rights for Seniors
Howard Watts III, Progressive Leadership Alliance of Nevada
Scott Smith
Kristina Swallow, City of Las Vegas
Rocky Finseth, Nevada Association of Realtors
Cheryl Blomstrom, United Trustees Association
Jon Sasser, Legal Aid Center of Southern Nevada

Eric Spratley, Lieutenant, Washoe County Sheriff's Office; Nevada Sheriffs' and Chiefs' Association
A.J. Delap, Las Vegas Metropolitan Police Department
Terry J. Care
Marshal S. Willick
Dixie Grossman, Nevada Justice Association
Beth Luna, Nevada Justice Association
Lori A. Jordan

Chair Segerblom:
We are calling this hearing underwater mortgage day, and I will turn the gavel over to Senator Kihuen in order to present the first of my three bills, Senate Bill (S.B.) 160.

Senator Kihuen:
I will open the hearing on Senate Bill 160.

SENATE BILL 160: Revises provisions governing deficiency judgments on obligations secured by certain residential property. (BDR 3-604)

Senator Tick Segerblom (Senatorial District No. 3):
I call this underwater mortgage day because we have been through a tremendous crisis in real property in Nevada. During the past 8 years, we have identified many deficiencies and problems. There are people in houses who can afford to pay the mortgage, but the reality is the mortgage is so much higher than the value of the property and leaves no real incentive to continue making those payments.

Referencing the presentation (Exhibit C), Slide 1 indicates we have many identical houses in Nevada. The house on the left has someone living in it with a mortgage worth $300,000 while the house on the right has a mortgage of $600,000. The family in the house on the right is making their payments, but their house is still only worth $300,000. What happens to the difference between the $600,000 and the $300,000?

This is not a small problem. Studies have shown 56.9 percent of homes in Nevada have a mortgage worth more than the value of the house. With the three bills being presented, I am proposing a way to get the mortgage company to reduce the principal of the mortgage to the value of the house. We want to

keep homeowners in their houses and paying what they should be paying to right this economy. When you have properties where the houses are identical and one homeowner is paying one price and another homeowner is paying a different price, there will be turmoil in the real estate market.

Senate Bill 160 addresses this issue by deficiency judgments. As you know, if I have that $600,000 mortgage and walk away, the bank forecloses, sells the property for $300,000, then I owe the bank $300,000 of a deficiency judgment. The bank may or may not come after that $300,000, but the bank will not usually go after the homeowner if he or she cannot pay the mortgage. If it is a situation where the homeowner can afford to pay the mortgage, the bank wants its money. In 2009, we passed a law that said prospectively there are no more deficiency judgments on future mortgages, but it was not retroactive. This bill will address those mortgages entered into prior to 2009. It will affect first, second or third mortgages, basically any mortgage that is on a residential property.

For example, if I obtained a first mortgage in 1990 and a second mortgage in 2005 when my house was worth $1 million, I now owe $600,000 and my house is only worth $300,000. If I walk away from that responsibility, the bank cannot sue me for the difference. If the bank knows I can walk away, it might come to the table and search for a solution.

Rather than letting the homeowner walk away when the bank would have to process a foreclosure, pay a real estate agent and pay all of the associated fees, maybe the bank will sit down and negotiate a new 3.5 percent mortgage with the homeowner.

One wrinkle is that under federal law, if someone walks away from a $600,000 mortgage when the house is worth $300,000, the person is taxed at the $300,000 difference. A law that expires at the end of this year and a law that has been renewing every year say the difference is not taxable income. By way of disclosure, if that latter law is not renewed at the end of the year and S.B. 160 passes, next year the homeowner would be required to pay taxes on the difference between the value of the mortgage and the value of the house.

Venicia Considine (Legal Aid Center of Southern Nevada):
I am appearing as a concerned citizen and as an attorney who represents low-income clients in a variety of consumer defense-related issues, including

foreclosure defense. I am offering my support for S.B. 160 and have provided a copy of my testimony (Exhibit D) to the Committee.

Our low-income clients who have gone through foreclosure are not being sued for the deficiency. Every day we receive phone calls from people who are still in their homes, very attached to their homes and want to stay in their homes. We have been getting a great deal of pressure from the media saying houses are going to bottom out and thousands of houses will go through foreclosure. These people are watching their neighborhoods change from owner-occupied housing to rental properties. These clients who make payments on a mortgage may not see any equity for 10 years or more. These clients are also receiving relief from the Mortgage Debt Forgiveness Act which expires in 2014. Clients are also hearing if they do not leave their bad or distressed assets now, they will have more liability. These clients are receiving pressure to file bankruptcy so they can stay in the house as long as they are current; if they file bankruptcy, they can continue to make payments on the house. If that asset becomes worse and worse as the years go by, they can walk away. We receive many calls from homeowners wanting to know what to do.

We see this bill as a way to fix some of these issues. First, it gives consistencies to the market so everyone knows what happens to those owner-occupied houses. When people cannot afford to keep the homes or the assets have begun hemorrhaging money so badly, it is beneficial for the owners to walk away. The clients know what will happen. This bill will stop those feeling the pressure to walk away from homes they want to stay in, understanding the obligation to stay in the houses. This gives the homeowners some additional options. Homeowners who file bankruptcy just to take off that pressure of not getting equity in the homes for the next 10 or 15 years affect our local economy because those bankruptcy filings include all debts. If we can keep people in their houses without filing bankruptcy, they will continue to pay off their debts and money will go into our local economy.

If homeowners do not have the pressure of having to sell their houses, they are more likely to stay. Many of the federal programs early on gave people payments they could afford. It did not resolve long-term issues, but it gave them manageable payments. For people with fixed incomes who want to stay in their homes for the remainder of their lives, the payments are very important to them. If those distressed assets or horrible potential liabilities that loom in the future go away, these people are more likely to stay in their homes.

This puts pressure on all parties. As seen through the Joint State-Federal Mortgage Servicing Settlement, when pressure is applied, the banks can effectively and efficiently work with homeowners to reduce principal and to settle second mortgages or to offer an array of other options. However, those homeowners in Nevada with loans not owned or serviced by the five banks—Bank of America Corporation, Wells Fargo and Company, JPMorgan Chase and Company, Citigroup Inc. and Ally Financial Inc.—are not eligible for the hardest hit loans nor federal programs because of who owns their notes or services their mortgages. These homeowners may not have deficiencies in the future. We can bring all parties to the table to work out some principal reductions, settlements of second mortgages and lower people's obligations on the houses to make neighbors on an equal level. One issue exists especially in Nevada in subdivisions with neighbors next to each other or across the street who bought the houses at the same time for the same price and they make the same type of income. The difference between servicers could have a different result as to whether the neighbor has a principal reduction or more options available.

Senate Bill 160 levels the playing field and allows many homeowners to stay in their homes. It may stem the tide of investors buying rental properties and favor homeowners living in the communities with a vested interest in the community.

Bill Uffelman (President and CEO, Nevada Bankers Association):
I appreciate what Senator Segerblom is trying to accomplish, but the problem is the sanctity of the contract. In 2009, the Legislature made prospective that it was a purchase money mortgage that you could not pursue deficiencies. In 2011, we applied that to junior liens that were purchase money liens and we also shortened up the period to pursue the deficiency from 6 years to 6 months. The retroactive aspect of this measure is the problem that troubles me immensely.

Ms. Considine mentioned some of the existing programs that an underwater borrower can pursue. A new program announced for federal mortgages that becomes effective on July 1 is a 40-year refinance at a below-market interest rate with 30 percent of the principal not subject to interest. There are options for people who need to take affirmative action to find out about the available programs.

There is the notion of going back retroactively to say a mortgage on a property, no matter when it was done, has no value. This bill is not limited to purchase money mortgages. If somebody cashed out, he or she bought the house and got a new big mortgage when times were good along with a new boat, a new car and other things. We are now saying no harm, no foul—you do not have to pay for those things—so I am in opposition to the bill.

Senator Jones:
You know my position on retroactive legislation but in regard to residential mortgages, would this be the first legislation to enact antideficiency protections?

Mr. Uffelman:
Yes. The antideficiency legislation enacted in 2009 was a purchase money mortgage.

Senator Jones:
I am referring to other states. Other states like California have antideficiency statutes, and I understand the contract issues. When other states enacted antideficiency statutes, were they ruled unconstitutional because they violated the contracts clause by the U.S. Constitution or the state constitutions?

Mr. Uffelman:
California did it in 1930 something; whether it was prospective or retroactive, I do not know. The statute has existed for 80-some years and those issues may have been raised, but I have not conducted any legal research.

Senator Jones:
If the banks are not using this remedy, then why do you care?

Mr. Uffelman:
People talk about strategic default. Someone with a multimillion-dollar property decides getting rid of it is a good thing. I do not know if the banks are pursuing those deficiencies here in Nevada. As was mentioned, lower income people at the bottom who take the foreclosure and the financial settlement comprise one set of circumstances. If we are talking about the high end folks, I suspect they will pursue some of those rights.

Senator Jones:
I have the same concerns and raised them on a different bill. I do not want to protect rich people. Would you be agreeable if we were to set a threshold? We already have a number fixed in statute of $525,000 for homeowner protections. If that number or another number would provide greater comfort in not protecting wealthy individuals from a windfall, would that appease you?

Mr. Uffelman:
I would have to talk to the bank representatives. It is an interesting concept, but what happens to the person who is at $525,001? We are seeing things nationally relative to financial institutions where we arbitrarily set numbers. We stated the Consumer Financial Protection Bureau does not apply to banks under $10 billion. By the end of the third quarter, a bank here in Nevada will be less than $10 billion, so it is not subject to these regulations.

Senator Jones:
The alternative is for S.B. 160 to stay in its current format. I was giving you the opportunity to say it is a good thing.

Mr. Uffelman:
I said it is interesting, but I am not ready to agree.

Senator Hutchison:
Would you agree the banks act in a rational manner based on their business interests?

Mr. Uffelman:
Yes.

Mr. Hutchison:
You will use the antideficiency statutes and foreclose when the benefits exceed the costs. Right?

Mr. Uffelman:
Yes.

Senator Hutchison:
So you will act rationally when the antideficiency judgments make sense in a particular context.

Mr. Uffelman:
Yes.

Senator Hutchison:
Would you agree that principal in both business and law is notice? We give people notice in terms of how they govern their actions, what consequences may stem from their actions and what results flow from a certain course of conduct. Fundamental to that whole idea is notice.

Mr. Uffelman:
Yes.

Senator Hutchison:
When we make laws prospective in nature, there is clear notice to people to decide whether they want to enter the marketplace and engage in business given the set of rules or given the laws?

Mr. Uffelman:
Yes.

Senator Hutchison:
If we apply laws retroactively, nobody receives notice 3 years, 4 years or 18 months ago of a game change. These people cannot back out of that decision-making process because they were not given notice. Is that a fair statement?

Mr. Uffelman:
Yes.

Senator Hutchison:
If you are a rational businessman or businesswoman in a state where you come to conduct business and you have no notice of consistency in the way the game is played, are you more or less likely to continue doing business in that state?

Mr. Uffelman:
The greater the risk that things arbitrarily will flip to something else overnight in a negative fashion increases the likelihood you would not participate in that marketplace.

Senator Hutchison:
While there are numerous measures by which we attempt to target specific challenges in a marketplace, you have to keep in mind a macroevaluation of our laws in the way business people and businesses conduct their affairs in a rational manner in a rational business place.

Mr. Uffelman:
Yes.

George Ross (Bank of America):
I want to make it clear to the extent we may disagree with Southern Nevada Legal Aid, this does not in any way diminish my respect or that of the bank for Ms. Considine and her colleagues for the work they do, as it is a needed service. Bank of America has worked closely with the Legal Aid Center of Southern Nevada over a number of years on these issues.

Bank of America feels strongly across the board about all of these banking issues that the No. 1 thing the Legislature can do to help the very people Senator Segerblom addresses with these bills is to get the equity in their homes increasing as fast as possible. We believe that means you do not impede the recovery of the market. In our view, most of these bills designed to help those people who have made a bad investment, generally speaking, retard and interfere with the recovery of the market.

When I got out of the Navy with experience in industrial relations, I went to work for a major oil company doing international planning. I was called a political research analyst, and my job was to analyze the foreign countries in which we were already invested and had operations or where we might begin operations. My primary concern was: What would happen once we started rolling and found oil in a place where we already had oil? Which countries were likely to keep a stable investment environment? Which countries were probably going to change the rules of the game after we got there?

Senator Hutchison hit the nail on the head in his series of questions. When I switched to American politics, I did not have to worry about what may hit us for something we did 6 years, 7 years, 8 years, 9 years, 10 years ago under a particular set of rules. We worried about the future rules and our future investments, but we did not have to worry in the United States about investments we already made under a particular set of rules.

This is the fundamental thing happening here today with this bill. I know Senator Segerblom feels sorry for those people who have lost equity in their homes. I have lost money too in one thing or another. We all have. We have a Governor in this State who has stuck his whole reputation on economic development. He has set up programs in the Governor's Office to help drive economic development in this State. For a company outside of Nevada looking to come here and seeing the rules of the game may change after they get in constitutes a major economic development concern and the No. 1 reason this is a problem bill.

Principal reductions have been talked about over and over for at least two Legislative Sessions. Why will the banks not reduce people's principals? Some of you can actually help on this issue, but you cannot do it in this building. In my own client's case, 65 percent of the mortgages which it services are owned by federal agencies such as Fannie Mae, Freddie Mac, the Federal Housing Administration (FHA), etc. These companies do not allow principal reductions. If you think this is the right solution, then you should go to Washington, D.C., sit down with administration officials and convince them they need to change that policy. Until that policy changes, those principal reductions cannot happen for 65 percent of the loans.

The five banks had a national settlement with the U.S. Attorney General. The first option they had to fix loans was a combination of principal reduction and interest reduction to get someone's payment between 25 percent and 42 percent of his or her income. Bank of America could only do that on about 33 percent to 35 percent of the loans it serviced because of the federal rules. When it is said the banks will not do this and the banks will not do that, you must realize the constraints placed by other parts of the political system. From a business development, economic and legal point of view, this bill is a significant mistake.

Bank of America rarely does deficiency judgments, and I was happy to hear that acknowledged for the industry. Occasionally it will but only once in a great while when something is really egregious. A guy who walks away and stops making payments because he is several hundred thousand dollars underwater—but still has his condo at Mammoth or Lake Tahoe, a Lexus and a condo down in San Diego—is making choices. We all have a right to make choices, but a company that makes an investment has a right to seek recovery on that contract.

You will see I personally testified in favor of the bill in 2009 that said deficiency judgments ended after October 2009. That meant the bank could take that environment into account when making decisions about whether to grant loans. The bank could factor that into the interest rate and to whom the bank made a loan. The bank could not do that if the loan was made in 2002. That has already happened using a different set of circumstances.

Senator Jones:
When you talk about the bank making its decisions prospectively about to whom to make loans, if I apply for a mortgage in California which has a deficiency statute or a mortgage here in Nevada, what is the difference in the loan rate for each state based on the antideficiency statute that Nevada lacks?

Mr. Ross:
I cannot answer that question.

Senator Jones:
I want to make sure this is not something the bank works into the calculation about what loan rate I will receive as a borrower.

Mr. Ross:
That is a fair question. A great many factors go into the loan rate.

Senator Jones:
I appreciate that the Bank of America does not pursue deficiencies except in rare circumstances. If we were to tie this legislation to the FHA conforming loan rate, would that be amenable so we are not foreclosing your ability to go after the individual you described with the Lexus and condo in Mammoth who makes a strategic decision to avoid creditors?

Mr. Ross:
I appreciate your trying to accommodate the problems while still solving an issue. I cannot give you an answer because I would have to go back and ask the client.

Senator Segerblom:
This is a simple issue: 60 percent of Nevadans who own houses are underwater right now. This bill is a tool we can provide to the homeowner to get banks to reduce the principal. The reality is that someone will have to take the hit. The

question is who? The banks are responsible for what happened when all of the housing prices went through the roof. Banks were giving away mortgages when the person did not have to show proof of income and could get a loan for 100 percent of the value of the house. The banks were also begging people to take out a second mortgage. The banks all profited during these times, and now they should have to pay the price. We have a legal opinion from the Legislative Counsel Bureau that the retroactivity is legal. We are not changing the terms of the contract; we are saying the remedies under that contract under the Nevada law are changed.

I will submit a letter received by the Committee from Douglas C. Flowers (Exhibit E) asking us to consider the points outlined in his letter when considering S.B. 160. I also received a letter from Civil Rights for Seniors signed by Keith J. Tierney (Exhibit F) supporting the bill with amended language.

Senator Jones:
Would you be amenable to my suggestion to tie into the conforming loan amount so we do not protect those who are trying to skirt their obligations?

Senator Segerblom:
Yes. I have no desire to help rich people.

Senator Kihuen:
I will close the hearing on S.B. 160 and open the hearing on S.B. 424.

SENATE BILL 424: Revises provisions relating to foreclosures. (BDR 3-1113)

Senator Tick Segerblom (Senatorial District No. 3):
Senate Bill 424 is another commonsense solution to our current problem. What happens now with underwater mortgages shown in Exhibit C, the $300,000 house and the $600,000 mortgage and $300,000 house next door? I go to my bank, and it will not reduce the principal or a mortgage rate to comply with 3.75 but will allow you to conduct a short sale. You can obtain an appraisal on the house, the appraisal comes back at $300,000, the bank advertises the house and if somebody buys the house for $300,000, you walk away.

The individual then asks, if you are willing to sell this to my neighbor for $300,000, could you also sell it to me for $300,000? A short sale will not

allow an individual to purchase his or her own home. A short sale is essentially a foreclosure sale, but it is done by the bank and the mortgage holder as opposed to a formal process. Senate Bill 424 says that when the short sale occurs, the homeowner has the option to buy at the short sale auction. This allows the family to stay in the home, stay in the neighborhood, keep the kids in the same schools and go on with their lives. This legislation is the best thing we can do in Nevada because without it, the family and the neighborhood is uprooted, and for what? At the end of the day, the house sells for $300,000, the mortgage is $300,000 and the bank loses $300,000. It upsets me when I see people who should be able to stay in their house and buy it for the same price as someone else. It is a simple solution.

Senator Ford:
Is this legal? It might very well be under existing laws, so what do you perceive as the problems with this bill?

Senator Segerblom:
I understand the Federal Housing Association and other mortgage companies will not allow a person to purchase his or her own short sale. How does that work now if there is a way to change it, to be taken back by the bank and then sold? It seems there should be a way around this issue.

Senator Ford:
The bill supposes the person going through the short sale is able to obtain financing to purchase a house at all, let alone the current home under foreclosure.

Senator Segerblom:
That is the point. The person would have to qualify for a mortgage. You could not say you wanted to purchase the house and the bank would just give it to you. You would have to go through everything someone else was required to do to purchase the house. It would not cover every solution, but there are a lot of places where the person could qualify or at least should be offered the opportunity to qualify.

Senator Hutchison:
This kind of a policy makes more sense. I would like to hear from the banks because it may be completely illegal. At least now you have a situation where you have a bank saying you have an asset that it is willing to sell at however

many dollars. You are saying to give the homeowners the right of first refusal, assuming they can qualify for a loan. That is the essence of the bill.

Senator Segerblom:
It is a foreclosure sale where you can purchase your own house.

Senator Hutchison:
Federal impediments might not allow us to do this, but at least you have two willing participants, a bank willing to take a certain amount of money and a homeowner who wants to stay in the home and buy at the same amount, assuming he or she can qualify. It is good public policy to keep families in their homes, keep the kids in the same schools and not interfere with anyone's business relationship.

Senator Segerblom:
If you put the two bills together, the bank knows if they do not let you short sell the house, it cannot come after you for a deficiency judgment. It is the best of both worlds.

Keith J. Tierney (Director, Civil Rights for Seniors):
I submitted letters on behalf of the Civil Rights for Seniors specifically for S.B. 424 (Exhibit G) and then another letter addressing S.B. 160, S.B. 278 and S.B. 389, Exhibit F. The letter submitted in regard to S.B. 424 makes reference to a letter sent to President Barack Obama, U.S. Senator Harry Reid and Senator Mitch McConnell on behalf of nine attorneys general, including Nevada Attorney General Catherine Cortez Masto, addressing the huge problem of principal write-down facing homeowners. I provided a copy of the letter for the Committee and staff. The letter is a postscript to another letter also addressing this issue written in February on behalf of 40 members of the U.S. Congress to President Obama.

The Federal Housing Finance Agency regulates Fannie Mae and Freddie Mac. I represent a great number of seniors who are facing the loss of their homes. In one particular case, seniors purchased a house with the mortgage through Bank of America; prior to mediation, Bank of America sold the loan to Fannie Mae. Fannie Mae is refusing to negotiate on a principal reduction because of its regulations. The servicer is Bank of America and Fannie Mae will allow the servicer to negotiate. But if the servicer allows principal reduction, it can buy back the note. Bank of America has the right to reduce principal reductions.

I served under two Governors in Nevada as the State Economist and retired as a U.S. bankruptcy trustee, so I have seen this problem from every aspect. I support the introduction of these bills because if they are bundled together, they address serious problems. If the banks say they cannot effect principal reductions or give write-downs, these bills take a gigantic step to help homeowners—especially S.B. 424 when combined with S.B. 160 on the deficiency judgment issue. We support these two bills together.

Washoe County has seen a huge drop in the core of its population. In Washoe County, Carson City and Clark County, the population has increased significantly in terms of seniors because of the economic effect caused by the housing crisis. Nevada now has one of the highest poverty rates in the Country. Of the population in the three major counties, Washoe, Clark and Carson City, slightly over 15 percent are living in poverty. When you look at who is poor, it is the seniors. They have lost their pensions and equity in their homes. We have lost other portions of wealth. I am always contacted by seniors who want help to stay in their homes. These bills would greatly assist seniors facing this dilemma since the banks are still refusing to provide principal write-downs. I have not dealt with one bank yet that will even address that question.

Ms. Considine:
We are in support of S.B. 424 to keep homeowners who are financially able to stay in their home and stay in our communities. Because of the loss and reduction of employment in Clark County, many people who qualified and obtained mortgages of $250,000 or $300,000 are now making half or less than half of their prior incomes. This bill will give people the ability to qualify for $119,000 mortgages—the value of their houses—instead of having to make payments on $250,000 or $300,000 mortgages that they can no longer afford.

Senator Ford:
Do we know how many people this bill would help? Do we have any estimate of how many homeowners could benefit from this bill?

Ms. Considine:
I do not have any statistics, but many homeowners have called or come to us with the question, "If they can sell this house to somebody else, why can't they just sell it to me? I am making half the amount of income and can afford this house at the current value, but I cannot afford this house and cannot qualify for

any assistance at the amount of the current mortgage." This could help quite a few people in Clark County.

We also hear from homeowners who are unable to obtain any financial assistance in order to remain in their homes from the current servicers or the owners of the note. The houses are sold through the short sale process and in many instances, sold to investors who come knocking at their doors. If you want to stay here, you can rent the property from me for a little while and then you will potentially be able to buy it. I am not sure how many of these kinds of deals work out and how many of them are scams. But if any of those are scams or not bringing the initial promises to fruition, the bill may solve the issue.

Senator Hutchison:
For those clients who want to retain their homes through right of first refusal, may they also qualify for refinancing with the same financial institution that holds the note or another financial institution?

Ms. Considine:
I cannot fully answer that question because my guess is they have gone into default and their credit is taking a hit for not making payments for a certain number of months. For example, we have seen people who are either ineligible for assistance through several of these programs or they went into trial plans, were not offered permanent modifications and cannot pay their mortgages. Typically after a trial plan, servicers stop taking payments, and any payments are returned to the homeowner. In these situations, homeowners may have enough for a 10 percent or 20 percent down payment for what the house is worth now, which would go a long way toward qualifying them for new mortgages.

Howard Watts III (Progressive Leadership Alliance of Nevada):
We are here in support of S.B. 424. For the last year and half, we have been providing outreach to underwater homeowners and distressed homeowners, folks facing foreclosure and folks facing short sales. Even my own father had to short-sell his house last year after he had lost over half of the equity. This issue is close to home for me and has affected many people in this State.

According to CoreLogic, over 50 percent of the population in the State is underwater as homeowners owe more on their mortgages than the houses are worth. The folks we speak with have difficulty working with the banks. Most of

them have reached out at least once to negotiate some change in their arrangements with the lender. They have asked for interest rate reductions or refinancing. People have asked to have the principal reduced or ask the banks to work with them in some way. While some of the new programs and settlements have helped people in terms of getting those changes and making their house payments more affordable, many people are still having difficulty and are struggling. It adds insult to injury when people lose their homes only to see them sold to another home buyer or an investor for a fraction of what they were paying on the mortgage.

When it comes to the logistics of how this bill would work and folks' creditworthiness, it does not seem right that we restrict the people who chose to invest time and money into those homes by kicking them out and giving the homes to other people at market value. Banks should be working with homeowners to reduce the principal to market value. Most homeowners do not even want that. They just want a reduction to the point where they can afford to pay the mortgage because their life circumstances changed. They lost jobs, lost hours and are just trying to get by. These people's investments that were supposed to last for the rest of their lives lost significant value.

I urge you to support this bill; if nothing else, send a message that banks need to work with homeowners to allow them to stay in their houses. If the banks decide to kick people out of their houses, they need to offer the homes back to the homeowners before offering them to investors or other home buyers. I purchased a home during the past year and was lucky to get a foreclosed home without investors. Neighbors talk about how nice the family was who lost the home, and I feel sad that I actually purchased the home from them. I urge the Committee to support this bill and provide additional relief to homeowners in the State.

Senator Ford:
Have any other states enacted laws that will give the right of first refusal in circumstances like this?

Mr. Watts:
I do not have an answer to that question.

Senator Segerblom:
I am not aware of any other states addressing this issue since Nevada is the worst underwater state in the Country.

Mr. Uffelman:
After reading the bill and listening to the testimony, I am a little confused. The bill specifically talks about postforeclosure; the property has been sold on the steps of the courthouse. This is not a preforeclosure short sale discussion. Once the property has been sold, the note holder has said, "Okay, now we are going to sell it postforeclosure." This says the former owner-occupant has a right at whatever the price struck—which is the market price of that property—to step in and make the purchase. When somebody is hovering out there with the ability to knock you out of your purchase—for instance, you decide you like the house, want to buy it and have negotiated the price—but the homeowner has the ability to come in and say I am taking back the house, you probably push prices down rather than up.

People will question the worth of attempting to purchase something when they will get knocked out. The second item is the irony that several of the financial institutions are working with the not-for-profit entities for a right of first-look, postforeclosure sale. Before it goes out to the multilist and others get an opportunity in Las Vegas, agencies are offered the opportunity to purchase the home without having to compete with others. You have the policy of trying to work with housing agencies and local governments, and then we say, oh by the way, somebody else could knock you out of the sale.

Senator Ford:
If the right of first refusal is given to a nonprofit to have first choice to purchase a house, why not give the same right to the previous homeowner? I suspect your answer will be that you do not necessarily have a price for offering this home to the nonprofits.

Mr. Uffelman:
As I understand the program, the lender does in fact get a broker price opinion and the nonprofit has an opportunity to buy or negotiate at that price.

Senator Ford:
Is that price typically fair market value?

Mr. Uffelman:
It is the presumption of fair market value as an evaluation by a broker. But as evident in sales in Las Vegas, Phoenix and other places with sales of foreclosed homes, competition is driving up those prices. The reality is you may have a broker price opinion that says $175,000, and other things factor into that price separate from selling it to somebody else. Nobody takes the house, and now it goes to market on the multiple listing service, and investors and those who have a mortgage line up. The price may be bid above the price of $175,000. A market price is always a range until it actually happens.

Senator Ford:
If you are offering a home, and let us use the $175,000 value, to a nonprofit, why not make the same offer at the same price to the homeowner who has just been kicked out of the house?

Mr. Uffelman:
The irony is the house in a foreclosure sale. If the borrower has vacated the house, the bank arranges a lower price for someone to buy that house or an investor buys the house with the intent of flipping it. The homeowner can go to make the postsale purchase.

Senator Ford:
Why go through that rather than do what has been recommended here, letting the person who may not qualify for a $300,000 mortgage anymore but could qualify for a $175,000 mortgage buy the house? I do not understand the distinction. Unless you are saying we have been burned once by this person and for that reason, the bank will no longer deal with him or her.

Mr. Uffelman:
The federal guidelines have applicability for a preforeclosure sale. At the foreclosure sale, I would argue a new ball game has started. To say this new ball game begins with, "Oh, by the way, you have to give the old owner-occupant the right to buy the house when someone else establishes the price," is a whole new set of rules. I do not know if this is prohibited. But if the person is that interested in the house and wants to come back, there are straw man purchases all the time, and private investors will take you up with that deal. If you watched *Flipping Vegas* last night, a straw man purchase was in the episode. It can be done, but the bill is not appropriately written.

Senator Ford:
I consider myself sophisticated, but I would not know the first thing about finding a straw man investor to go buy back my house if I lost it. We are talking about folks who probably know nothing about how the process works. It seems much more feasible to let the previous owner come back and buy the same house for the same price it would have sold for to the other buyer. They want to live in the same house so their kids can go to the same schools.

Senator Brower:
Could you describe what is contemplated by this bill as a backdoor principal reduction? The borrower-owner is unable to obtain a principal reduction, and there is a foreclosure. Would this bill allow the borrower to come back and purchase the house at a lesser amount, thereby receiving a reduced principal?

Mr. Uffelman:
Technically, yes.

Senator Brower:
Would that be the problem you have with the bill?

Mr. Uffelman:
Whoever buys the house is buying it at a reduced price. Whether the original owner-occupant becomes that beneficiary of the principal reduction is what this bill talks about. This distorts the marketplace because of the standing notion someone is hovering there to jump in and take advantage of it once the price is established. You and your wife really want to keep the house, but you make your offer contingent on the former occupant who has the right to come buy back the house. You do not want to fall in love with a house and find out you cannot buy it.

Senator Jones:
What prohibits a foreclosed owner from bidding at a future sale of the home?

Mr. Uffelman:
The foreclosed owner is not prohibited from bidding on the house as it is a public auction at the foreclosure sale.

Senator Jones:
You were talking about the owner obtaining a straw man to bid at the auction. If nothing prohibits him or her from bidding at the public auction, why would the previous owner need a straw man? On a future sale of the residence, does anything prohibit the past occupant from bidding at the sale?

Mr. Uffelman:
I am not aware of anything prohibiting the past occupant from bidding at a sale. The sold property is now titled to the financial institution.

Senator Jones:
If a prior owner of the home can bid at the future sale and he or she is outbid, why does the bank care if the previous owner matches the bid of the highest bidder at the sale?

Mr. Uffelman:
If the house is on the multiple listing service, certain prohibitions keep real estate agents from talking about a client offer. The former owner could be the highest bidder, presuming he or she has the financial wherewithal to make the purchase and close the deal.

Senator Jones:
If the bank is the owner of the residence, do you get to decide which bid you take? The bank does not have to take the highest bidder because I have friends who have tried to purchase homes and they get outbid by the cash bidder. You as a bank make a decision every day as to who gets the house. If nothing prohibits a prior occupant of a home from bidding at a future sale of his or her prior residence, why does the bank not say to the purchaser, "If you can come up with the money in X number of days, you get the home?"

Mr. Uffelman:
In some respects, it is a loss. Given the notion that this shadow purchaser is hovering around, how long does this purchaser get to hover when this property comes back on the market?

Senator Jones:
There can be a shadow future bidder at any point. If the bank decides to hold onto a piece of property for 5 years, the prior owner of the property may not

always be able to bid. Why does the bank care if it gets the same price out of the property?

Mr. Uffelman:
Take the notion that you are bidding as opposed to always knocking out the selected party in first position. Maybe the buyer in first position is a cash buyer. The previous owner may have somehow qualified for a mortgage, but the mortgage has some restrictions. The sale may have some inspections and other things the cash buyer is willing to waive. You have introduced a whole new set of circumstances. It is one thing to say I will match the bid condition for condition and another thing to say there is a whole different set of conditions.

Senator Jones:
If the prior owner who bids on a future sale of his or her prior residence accepts the same terms as the highest bidder, is that amenable?

Mr. Uffelman:
I do not know how it would work.

Senator Jones:
We see the right of first refusal every day. This is not a new concept. This is a novel concept for residential properties, but it is not a novel concept in commercial transactions because it happens every day.

Senator Brower:
The novelty about this is that we are requiring one party to accept the right of first refusal without the freedom to contract for that as clients often do. This would require one of the involved parties to agree to the right of first refusal by law rather than bargaining for something.

Senator Jones:
Thank you for making Mr. Uffelman's argument for him.

Mr. Uffelman:
I was headed there. This is a postforeclosure. The owner-occupant has left the property, and it is done. This bill would require that I remain in contact with the owner-occupant, and you may not come bid on your house.

Senator Jones:
What if we changed the bill to say you have to be a bidder? It is probably onerous for a bank to have to track down a prior owner or resident in order to ensure he or she checked a box as to this issue. We could say, if you as prior owner want your house back, then you have to go bid at the new sale of the property, and you will be given a short period of time to match the winning bid.

Mr. Uffelman:
It is a novel approach that I will have to consider.

Senator Hutchison:
Is this your macroargument? Any introduction of uncertainty in the marketplace drives down the price? I may not come in knowing that if I am the high bidder, I win. No matter what the contingency is under law or in practice, I will bid less than that. Is this your general objection to the bill? You then add in another term not bargained to by the party. Are these the two primary points to which you have difficulty?

Mr. Uffelman:
Yes.

Senator Hutchison:
I believe Senator Jones was trying to find a way to address the issue. If I am reading this bill correctly, the right of first refusal would be accompanied by financing qualifications and that sort of thing. Is that in the bill now, or would we need to make it more clear if the bill passes?

Mr. Uffelman:
I am not sure how the former occupant puts the package together to purchase the property. If this was a pre-2009 purchase money mortgage and the person has the wherewithal to make this purchase, do we have a deficiency and some other issues? If you held back from making your mortgage payments for 2.5 years and put the money away with the intention of purchasing your house postforeclosure, there could be some deficiency issues.

Mr. Ross:
We recognize the sponsor of the bill cares about the folks who have fallen on misfortune. There is no question about why these bills are being brought forward and Senator Segerblom is searching for creative solutions. However,

this solution in particular defines moral hazard. The bill is an incentive for folks who have fallen behind or are thinking about falling behind to stop paying on their contracts. It is an incentive for folks to strategically default on their mortgages and then be rewarded by being able to buy back their houses at lower prices and reducing their payments.

Senator Ford:
We put in safeguards to prevent fraud and moral hazards all the time, so there is a possibility we can put that language in the bill. Is it also an incentive for banks to work with those owner-occupants to avoid foreclosure? We were ultimately having to debate policy on whether it is more important to keep people in their homes, keeping neighborhoods stable and blight away versus holding people to contractual obligations they can no longer meet by kicking them out of their houses and hoping the houses will sell somewhere else. What if there are safeguards in place protecting what you have described? I have deposed real estate agents who knew exactly what they were doing when trying to get out of mortgage obligations. That is not the situation we want to protect by passing this bill. We intend to protect those people who are down and out and literally cannot afford this, but they can afford that. The concept is a good one. I would like to know if there is an opportunity for some form of compromise so we can include the compromise to appease the banks and accommodate those people we are trying to reach. What are your thoughts?

Mr. Ross:
We clearly believe this would incentivize people to stop making their mortgage payments, and no one is going to give these people loans. The owner-occupant would have to obtain a loan in order to purchase the property. When looking at a loan, I discussed this issue with the client; the owner-occupant is already a bad credit risk because he or she stopped making payments. He or she made a choice not to comply with his or her mortgage contract. He or she made a choice not to meet his obligations, so no bank will take a chance on him or her now.

Senator Ford:
I agree this is a real concern and a big hurdle for anyone trying to purchase his or her home through this process—all the more reason to provide an owner-occupant the opportunity to purchase the home but acknowledge the inability to afford it.

Mr. Ross:
There seem to be two different viewpoints of the people in this tough situation. One group of people are just below making payments, and every one of them wants to stay in the home and make those payments.

Contrary to insinuations made by other testifiers, the Bank of America has made over 30,600 loan modifications through January. Somehow this bank that would not talk to anybody found a way to make that many loan modifications. It held a number of large fairs with representatives empowered to make decisions that day to assist homeowners who showed up with the right documentation. One very large 2011 fair invited 30,000 people to attend via emails, letters and personal phone calls. The response from the invitees was between 3 percent and 5 percent. That tells me many people feel they are in a situation where they cannot be helped.

Bank of America has a walk-in customer service in Henderson at Corporate Circle, where North Green Valley Parkway crosses Las Vegas Beltway 215, one in Las Vegas and one in Reno. Anyone behind on payments or about to go behind on payments can walk in with documentation to discuss the situation. If the person can be helped, he or she will be helped.

I recognize that 65 percent of those people serviced are not eligible for principal reductions. In the Attorney General's Mortgage Servicing Settlement, using data from 3 or 4 months ago, Bank of America had already processed well over $500 million in loan accommodations, most of which were in short sales. People are receiving help and being provided with solutions. It suggests that many of the folks you intend to reach, thinking they are waiting for help, may not be the right candidates. I can see why you would be sympathetic to this issue, and S.B. 424 is creative.

There is no question many of you got into politics and ran for office because you really care and want to help people. This is a place where you can operationalize that caring for people, and I am glad someone does it. In this case, the desire to help folks creates an incentive to condone the kind of behavior our economy does not want to see, encouraging people to walk away from their obligations and their mortgage contracts. I had a long discussion with my client on this issue and am confident that my testimony is consistent with Bank of America.

Senator Ford:
I recognize the efforts some of the banks have made, Bank of America in particular, and I do not want this hearing to be construed as a bank bash. Ultimately, we are trying to provide an opportunity to maintain neighborhoods and keep people in their homes by looking for compromise in that regard. I do want to acknowledge what the banks have already done to help this process.

Mr. Ross:
The difference in attitude this Legislative Session compared to the prior two Sessions is clearly noticeable as you are actively looking for solutions. We are happy to see your creative effort to help people and provide us the opportunity to give our views on the issues.

Scott Smith:
There was some discussion about uncertainty, whether making a bid at a public sale harms the process if someone else matches the price and takes it away from you. I practice in probate court, where we take people's assets after they pass away and liquidate those assets to pay off their creditors and distribute the remaining assets to the heirs. In probate court when we seek to sell real estate from someone who has passed away, we retain a real estate agent, advertise the sale, receive an offer and then are required to make a petition to the probate court to sell the property and give notice to the public.

At the hearing before the probate commissioner, anyone can come in to bid against the sale contract we have made; if he or she makes at least a 5 percent increased bid, he or she can buy the property. In the 14 years I have been practicing, I have not seen the process reduce any prices. Two Fridays ago I was in probate court in Clark County, and we had people there bidding up the sales. We brought in a small condo for sale, and two people bid on the sale. The process did not seem to retard or discourage anyone from making an offer to us when we put these properties up for sale. What this bill proposes may not necessarily hurt our price values or make it more difficult to sell these properties.

Senator Kihuen:
I will close the hearing on S.B. 424 and open the hearing on S.B. 278.

SENATE BILL 278: Establishes an expedited process for the foreclosure of abandoned residential property. (BDR 9-134)

Senator Aaron D. Ford (Senatorial District No. 11):
All of my colleagues did what I did during this last election: we knocked on doors. If you recall, as you began to walk to the next house, you knew no one lived in the house. You could tell no one lived there because some of the weeds were as big as trees. When you went up to the porch, you and everyone else who was running against you had campaign flyers at the door. Pizza boxes were on the porch. You could see through the window that the house was vacant. Sometimes, there were holes in the walls, and you could tell someone had abandoned that home.

Senate Bill 278 is about those homes and how we can clear up some of the urban blight associated with the large number of abandoned homes in our State. According to the U.S. Census Bureau, 14.3 percent of Nevada homes were vacant as opposed to abandoned in 2010. Across various counties in Nevada, vacant home rates are reaching as high as 44 percent. In a recent report issued by the Lied Institute for Real Estate Studies at the University of Nevada, Las Vegas, the greater Las Vegas area alone has an estimated 80,000 vacant homes.

As indicated, some of those homes are not just vacant, they are actually abandoned. The mortgage has not been paid, the utilities are shut off, homeowners' association (HOA) dues have gone unpaid, windows are broken and some need to be boarded up, doors are smashed or unsecured, fixtures and wiring are gone, yards are overgrown and unkempt, and you see blight. These crime magnets not only pose a risk to economic recovery but they place the health, safety and welfare of our public in imminent danger. Trespassers, vandals and drugs find their way to these abandoned homes with relative ease. We discussed forfeitures, and we have heard about sex trafficking and how some of these homes themselves can be used for improper purposes and enhance the blight these neighborhoods are experiencing.

Oftentimes, law enforcement is aware of the issue, usually notified by neighbors not only concerned about property values and esthetics but also for the safety of families in that neighborhood. In a recent case in Washoe County, a woman was forced to abandon a home she could no longer afford. She was underwater as we heard described during testimony for S.B. 160 and S.B. 424. She could no longer afford the mortgage, so she walked away from the property and abandoned it. At least one individual took up residence in the abandoned home. The squatter had the water and power activated but did not maintain the yard.

When the individual entertained questionable individuals at all hours of the night, neighbors literally saw the writing on the walls and notified law enforcement.

The bank had not initiated foreclosure yet; the owner had washed her hands of the property and not filed a formal trespass complaint, so law enforcement could not remove the occupant without legal authority from the owner. The utility's own code enforcement could not find a proper violation circumstance. Everyone, including the occupant, knew this was trespassing, and law enforcement hands were tied. Had S.B. 278 been in effect, it would have been useful for this situation.

We all know the score, and we all know the challenges faced by our constituents every day. As responsible lawmakers, we have risen to meet many of those challenges by seeking fair and just legislation. Senate Bill 278 is one such measure that is a well compromised and well-reasoned approach to addressing the blight created in our communities by abandoned properties. Over the last few months, I have had the privilege of working with representatives from banks, homeowners' associations, law enforcement, legal aid clinics, municipalities, real estate agents and title companies to make sure S.B. 278 is the most efficient and responsive resolution to the problem we face called abandonment.

The bill is not perfect yet, but it is almost there, and you will hear an amendment (Exhibit H) being proposed today. It is important to know who has been involved in the process. This bill will establish an expedited foreclosure process for abandoned property that shortens the time to sale and exempts the home from foreclosure mediation.

Senate Bill 278 clearly defines what an abandoned property is and is not. Section 2 of proposed Amendment 7892, Exhibit H, defines abandoned in an onerous way. We do not want to affect the 80,000 vacant homes, we only want to address those homes truly abandoned that no one intends to live in or where a squatter lives who is contributing to the urban blight.

The home cannot be occupied as a principal residence by the owner or any lawful occupant. The mortgage loan has to be in default and the deficiency cannot be procured. Gas, electricity and water services must have been terminated. No children can be enrolled in schools from that address. We are

asking the school districts if any children are enrolled in school using this address.

Payments such as retirement and survivor benefits, supplemental social security or any form of federal government assistance cannot be associated with the address. When I was on Section 8 housing and received food stamps from the Nevada Supplemental Nutrition Program for Women, Infants and Children back in the day, we would receive our food stamps in the mail. That does not necessarily happen anymore; I believe people receive debit cards now. We look to see if there are any benefits associated with that particular address. In order to make sure none of our armed services individuals are affected, you have to ensure the individual is not in the armed forces and potentially overseas. In addition, the owner or the bank or whoever takes advantage of this process will have to prove at least two additional conditions from a list of conditions contained in section 2, subsection 1, paragraph (b), subparagraph (7): the construction was discontinued prior to completion, leaving the home unsuitable for occupancy; multiple windows in the home are broken or boarded up; doors are smashed or continuously unlocked; the home has been stripped of wiring or material fixtures; law enforcement officials have received at least one report of trespassing or vandalism; the home has been declared unfit for occupancy; local code enforcement has requested the owner or other authorized parties to secure the property because of imminent danger to the public; or the home is in reasonable danger of significant damage from the elements or vandalism.

Senator Ford:
Illinois has a comparable statute, and that state's situation is more dire than ours in terms of the backlog of abandoned homes going through the process. Illinois has judicial foreclosures, so its statute did not entirely apply to our circumstance, although we did borrow some language.

Exclusions from the definition of abandoned property in section 2, subsection 2, paragraph (a) through (d) are also important. These include construction underway in substantial compliance with all of the regulations and the laws; occupancy on a seasonal basis, for example a secure vacation home; a home is secured with a legitimate rental or for sale signs or property listed on the Multiple Listing Service; and a home secured but subject to a legal action such as probate.

Abandoned property registries already exist in certain counties and municipalities. Clark County has established an abandoned property registry, and the County says over 1,500 homes are on the list as abandoned property. An estimated 13,000 homes that could be listed as abandoned are the properties we are addressing in this bill.

Section 3 also requires banks electing to use the expedited foreclosure process to submit copies of the affidavits and certifications to existing abandoned property registries for the county or city where the home is located. This section also provides for the removal from such a registry of homes determined not to be abandoned.

Section 3, subsection 4 of the proposed amendment Exhibit H makes it clear that removal from the registry does not prohibit reregistry. If someone having a home declared abandoned returns home and says I live here, it will be removed from the registry of abandoned homes. Subsequently, when the same person abandons the home again, it can be placed back on the registry.

Section 4 of the amendment, Exhibit H, describes the permissive process for expediting foreclosure on the property. Initially, the bank must determine the property is abandoned. If a bank determines a property is abandoned, the bank or its agent may enter the property without being liable for trespass to determine if the property is in fact abandoned. In addition, the bank may request certification from the law enforcement entity designated by a particular county or city, for example a sheriff or constable. Law enforcement officials will do a visual inspection of the property to determine if the property is indeed abandoned. They will post a notice on the door indicating they are about to declare this home abandoned, and you have 30 days to contact us or it will be placed on the abandoned home registry and will be subject to a statute allowing expedited foreclosure.

Subsequent to the county official verifying the property is abandoned by visual inspection and subject to all of the notices attempted to be given, section 4, subsection 3 requires a notice be mailed again and posted on the front door. The bank or whoever is attempting to foreclose on the property files an affidavit that attests to the process being followed and attaches the certification from the law enforcement entity that conducted the inspection to be filed with a notice of default and election of sale. It will also be registered with the county or municipality holding the abandoned registry. Once the notice of default and

election of sale with the election to go through the expedited process are filed, the foreclosure mediation program is required within 30 days to issue the certification unless someone comes forward to say the property is occupied.

The bill decreases the minimum 120-day time frame to 90 days to foreclose on a home declared abandoned. Someone might say we should not have to work so hard to reduce the time period by 30 days, but it makes a big difference. Although 120 days is the minimum amount of time, it takes a lot longer to ultimately go through this foreclosure process due to other requirements already in the statutes. This presents an opportunity for banks and also homeowners who want to abandon the property by presenting keys to the bank or by signing an affidavit saying they want to abandon the property. It will require the banks to proceed, giving a 6-month time frame for the filing of the certificate to the ultimate foreclosure. The bank cannot file the notice of default and election to sell and then sit on it forever.

We worked with the banks to ensure they will use this process. We worked with the Legal Aid Center and those who are interested in protecting consumer interests on a daily basis to ensure we have adequate protections. We continue to work with those entities as well as the municipalities to get this bill finalized with everyone's support in order to bring it back for a vote in a work session.

Senator Jones:
I also knocked on many doors last year and saw the devaluing of property as a result of those people who had abandoned their homes. I would like to make a suggestion in terms of the criteria under section 2, subsection 1, paragraph (b), subparagraph 6 in Exhibit H. When my neighbors abandoned their home, their pool turned green and we had to call the health department to drain the pool. An additional criteria may be to ensure the health department has been notified in order to drain pools located on the property.

Senator Hutchison:
Section 2, subsection 1, paragraph (b), subparagraph (4) talks about any federal payments coming to the house. What happens if someone has abandoned the house and the federal payments continue; would that forever disqualify someone?

Senator Ford:
This bill would disqualify a person from that address.

Senator Hutchison:
Do you think that will be much of an issue?

Senator Ford:
This bill will neither address every single abandoned home nor the entire blight problem. We are trying to address all that we can while ensuring if there is any possibility the property is not abandoned, we leave the home alone. For all we know, the owner may be in the hospital in a coma. We need to protect those circumstances.

Senator Hutchison:
As described in section 2, who makes the call that the criteria has been met? Is that the bank?

Senator Ford:
We contemplated that when it was discussed in the working group, and I am open to suggestions. Whoever wants to take advantage of this process is required to file an affidavit that he or she has checked all of the elements required to declare the property abandoned.

Senator Hutchison:
Could it be neighbors? If it is a neighbor next to us, do I have the ability to initiate the process?

Senator Ford:
No.

Senator Hutchison:
Do the neighbors have any say about the house next door that may be abandoned?

Senator Ford:
The bill is not intended to give a neighbor the option of filing the affidavit. Section 2, subsection 1, paragraph (b) of the amendment in Exhibit H states:

> That the grantor or the successor in interest of the grantor has surrendered as evidenced by a document signed by the grantor or successor confirming the surrender or by the delivery of the keys

> to the property to the beneficiary or that satisfies the following conditions.

We define the request as being grantor and beneficiary. I will ensure only the beneficiary of the deed of trust can institute this action.

Senator Hutchison:
Nothing in section 4 forces the banks to follow this option? The banks must be motivated to file the notice of default and intent to sell because part of the challenge is the bank just does not act. Nothing here requires a bank to do it?

Senator Ford:
That was a heavy part of the discussion. A homeowner can deliver the keys and declare the property abandoned. We are working on an amendment between Legal Aid and the banks to develop additional processes, including a requirement for a bank to proceed with foreclosure when a person wants to abandon the home.

Senator Hutchison:
In your working discussions, did you find that, sometimes, the reason homes are abandoned and stay abandoned for so long is because banks deal with a work backlog regarding this matter? The process may take years while the house remains vacant.

Senator Ford:
We did hear stories along those lines. We also heard stories from the other side that banks do not want to address these homes. I made sure to not point fingers at either side but work together to find a solution notwithstanding how they got there in the first place.

Senator Hutchison:
This bill does not address every situation, but it takes a giant step toward addressing the issue.

Senator Brower:
Do you have any idea of how many qualifying residences we have in Clark County?

Senator Ford:
Clark County has 1,500 homes listed on the abandoned home registry, and an estimated 13,000 homes could be listed. Many homes can be taken through this process.

Senator Brower:
The bill has a great deal of detail; I hope we can work it out to get this right.

Mr. Uffelman:
We support S.B. 278, and additional amendments are in process. Across the Country, there are laws such as this. It remains a work in progress nationally. Solutions have not been around long enough to determine if laws are working as intended, but everybody wants to solve the problem of abandoned properties.

Kristina Swallow (City of Las Vegas):
We support S.B. 278. We have a minor clarification in section 4 that Senator Ford already mentioned, so we will continue our participation in the working group.

Rocky Finseth (Nevada Association of Realtors):
This was one of the public policy Face of Foreclosure Recommendations coming out of *Nevada's 2013 Foreclosure Report* by the Nevada Association of Realtors received by the Committee. Abandoned properties truly are a problem. Senate Bill 278 will address the inventory issue you have heard about from some of our members.

Cheryl Blomstrom (United Trustees Association):
Ditto.

Mr. Tierney:
Civil Rights for Seniors filed a letter of support, Exhibit F, for this legislation with some minor caveats. The distinction between abandoned and vacant homes was made during the testimony. When Lifeline conducted a study last year, Clark County had 100,000 vacant homes. It is nice to see that number has come down. As a statistician and economist, I have spoken with the State Demographer, and the numbers in northern Nevada are in question but appear to be anywhere between 20,000 and 40,000 vacant homes.

You need to be aware that the Department of Motor Vehicles has records available to assist you in determining if a home is vacant. Individuals will surrender driver's licenses when they leave and get new driver's licenses in another state. The United States Postal Service will provide information regarding whether mail is being returned or not provided to a particular address. The county assessor's office can provide tax assessment rolls to identify which properties are delinquent. As mentioned, the sheriff's office and sanitation departments are readily available to provide information on homes with trash buildup or service discontinuation. Any service provided to the home will provide information to assist in determining if the property is abandoned or vacant.

Jon Sasser (Legal Aid Center of Southern Nevada):
This legislation will address a serious problem that certainly impacts our clients who are more likely to live in neighborhoods with many abandoned homes. The bill as originally written created a real dilemma for Legal Aid because we agreed this problem impacted our clients, but we were skeptical of more than 100,000 abandoned homes in Nevada because the foreclosure process is 30 days too long. There did not seem to be much cause and effect, so will the solution address the problem? The solution affects our clients by shortening the foreclosure process or taking away the mediation program we fought so hard to get.

The bill has gone a long way toward making sure we do not catch the wrong person. The home is truly abandoned, especially by involving the governmental entities in the decision. Initially, the bill required a determination made by the banks. After reviewing the proposed amendment, we have made great strides forward. The bill does not require banks to participate. If those 100,000 vacant homes are not the result of the length of the process, why are they vacant? Part of the problem is the banks have not been filing foreclosures or even beginning the process. The villain portrayed as A.B. No. 284 of the 76th Session triggers bills this Session to fix unintended consequences from the passage of that bill. If the banks are not processing foreclosures because of those unintended consequences, the issue should be addressed and resolved.

We are working on amended language to replace section 4.5 of S.B. 278 in Amendment 7892, Exhibit H. If a property owner wants to declare abandonment of the property and is anxious to begin the process, that owner should be able to initiate the process. The bank should be required, once it is

notified a property is abandoned, to either offer a deed in lieu of foreclosure or go through the foreclosure process within 6 months.

Another issue not addressed is in regard to zombie foreclosures—when a bank begins the process but does not complete it. The person receives a 90-day notice of default and the foreclosure sale is never held. Now the home sits vacant, and the homeowner still has his or her name attached to the property. The bill, as written, does not give a consequence if the bank does not follow through with the sale of the property. Whereas a $500 fine applies to foreclosures initiated by the bank, those self-initiated by the person abandoning the property should provide more incentive for the bank to complete the process so the responsibility shifts. We are working with Mr. Uffelman and the sponsor. I hope to move from neutral to a supporter of the bill.

Senator Hutchison:
It sounds like you would like the homeowner to trigger the process. Can you think of a situation when the homeowner could trigger the requirement for the foreclosure to be initiated within 6 months as opposed to just giving over a deed in lieu of foreclosure? That seems like it would solve the problem without having to initiate any foreclosure process. Is there a reason it has to be disjunctive? Homeowners can get a deed in lieu of foreclosure and walk away. Now the bank has the title, does it need to foreclose?

Mr. Sasser:
There is no such thing as a deed in lieu of foreclosure that is uniform among banks. Mr. Uffelman indicated 20 different kinds of deed in lieu of foreclosures. The way it is done, you have to apply for a deed in lieu of foreclosure and show you have a hardship in order to get it. Then the bank may or may not weigh the deficiency based on the deed in lieu of foreclosure. You do not have a statutory right to demand a deed in lieu of foreclosure and abandon the property. Under our proposal, the homeowner would have 6 months to apply for the deed in lieu of foreclosure or to go through the foreclosure process.

Eric Spratley (Lieutenant, Washoe County Sheriff's Office; Nevada Sheriffs' and Chiefs' Association):
I am neutral on S.B. 278 with the proposed Amendment 7892, specifically sections 3, 4 and 5. We were not originally tracking this bill, but I am not sure we are able to perform what the language in section 4, subsection 3 proposes: "shall cause a local law enforcement agency to inspect the real property." We

see a need for the bill and recognize that, while patrolling these areas, some homes appear to be abandoned. We have kids entering the homes and tagging them and tearing things apart. People steal from the homes so we generally know which homes are vacant, but when it comes to providing an inspection and then following up with certification it may be outside the scope of law enforcement duties. We would like to work with the parties involved to move this forward within the scope of work provided by law enforcement.

A.J. Delap (Las Vegas Metropolitan Police Department):
We are echoing the same concerns as my counterpart from the Washoe County Sheriff's Office. We agree this is a significant problem in southern Nevada, and we want to assist the sponsor as best we can. The duty described in the amendment is out of the scope of what we normally do on a day-to-day basis for some type of property inspection and a determination. We realize language addresses the duties required, but we would like to narrow what is expected of law enforcement in making these evaluations.

Senator Ford:
I apologize for not specifically reaching out to law enforcement, but this was a request to ensure we use double suspenders to determine abandonment. I initially thought of having sheriffs and constables handle the inspections, and then authorizing whoever does the inspections to charge a $50 fee. The process would not allow the beneficiary to go to the city to request it direct those officers to do something. The beneficiary would go directly to the entity charged with conducting the inspections.

Senator Hutchison:
Is the $50 fee a placeholder, or will this cover the cost for the officers?

Senator Ford:
The $50 fee came as a suggestion from a constable's office that indicated a willingness to conduct these inspections. We also have a 4-year sunset on this bill in order to see if it works. A comparable bill in the Assembly has a difference I want to highlight. We are addressing blight by making sure we do not have folks inhabiting abandoned homes and causing problems in the neighborhoods. Another problem—many of our neighborhoods are becoming very unstable. People are renting as opposed to buying. We know people are buying properties with cash, so it is difficult for others to compete to get a home.

Senate Bill 278 does not attempt to address these issues. In S.B. 278, I am not concerned with who purchases the home. It could be a real estate investor because that person will be required to maintain HOA fees and the yard. I want the blight cleared up and the house to get back on the market so it can become owner-occupied soon thereafter.

Senator Kihuen:
I will close the hearing on S.B. 278.

Senator Ford:
I will open the hearing on S.B. 247.

SENATE BILL 247: Revises provisions relating to domestic relations. (BDR 11-872)

Senator Ruben J. Kihuen (Senatorial District No. 10):
This bill pertains to premarital agreements. In July 2012, the Uniform Law Commission (ULC), also known as The National Conference of Commissioners on Uniform State Laws, drafted a Uniform Premarital and Marital Agreements Act. The ULC has been meeting for 121 years to provide states with nonpartisan, well-conceived and well-drafted legislation that brings clarity and stability to critical areas of state statutory law. The ULC members must be qualified to practice law. These members are practicing lawyers, judges, legislators, legislative staff and law professors who have been appointed by state governments to research, draft and promote enactment of uniform state laws in areas of state where uniformity is desirable and practical.

Senate Bill 247 repeals chapter 123A of the *Nevada Revised Statutes* (NRS) and replaces it with the exact provisions of the Uniform Premarital and Marital Agreements Act. Former Senator Terry J. Care has served on the ULC since 1999 and is a member of the Commission's Executive Committee and chairs the Committee's Legislative Committee which has the responsibility for enactment of uniform law in all states.

Terry J. Care:
This is a pro bono project; I do not receive compensation for my work with the ULC (Exhibit I). In the 1970s, the states began to realize the need to codify what was known as premarital agreements. In 1983, the ULC promulgated a Uniform Premarital Agreement Act (UPAA) that was adopted by this State in

1989. So far, it has been adopted by 26 states. What you have before you in the form of S.B. 247 is a new act that supplants the existing Uniform Premarital Agreement Act of Nevada and adds a marital agreement. Couples already in a relationship can go ahead and strike certain agreements that do not violate public policy and do not do away with enforceable rights.

This Act has been introduced in only three states so far: Colorado, North Carolina and Nevada. It has been my style as the Uniform Law Commissioner to submit uniform acts (Exhibit J) to anyone who might have an interest. One of the people who worked on this issue, helped draft the Act and will remain a part of this effort is Professor Kay Kindred from the University of Nevada, Las Vegas, William S. Boyd School of Law.

Apparently I did not cast the net wide enough this time. Based upon recent conversations with people who practice in the area, there are apparent reservations about certain provisions of the Act which is still fundamentally sound. I do not want anyone who practices in this area to be uncomfortable with any legislation passed. I have asked these people to give me what they think is good about the bill and what is not. I will work with those people with reservations and try this bill again during the next Legislative Session. I would like to let the opposition put comments on the record.

Marshal S. Willick:
I am here to offer any technical assistance that might be useful to the Committee, as I have practiced family law in Nevada for more than 30 years. I have also taught the subject of premarital and postmarital agreements in Nevada and been tapped by the American Academy of Matrimonial Lawyers (AAML) as one of half a dozen lawyers around the Country to study this proposed Act and report to the AAML, so I have examined it in some detail.

The Act is a positive development in this area of law. The prefatory notes to the Uniform Act indicate that the intention of the Act is to be relatively limited in scope, and that may or may not be an accurate characterization. It does have some significant effects. One of the things that may have been lost by time, because few people study this area of law, is that a provision of the new model act actually matches an amendment made by the Nevada Legislature in enacting the original UPAA which does not match the original 1989 model. This actually brings the national law more into conformity to the way Nevada has been doing it for the last 30 years.

It provides an explicit regulation of postnuptial agreements. It is hard to argue with the imposition of the administrative construct within which such agreements are considered. No statute explicitly gives regulation of such agreements. It does explicitly expand the grounds and means of challenging marital agreements and premarital agreements. The preparatory notes indicate this was intended. For example, section 17 of S.B. 247 allows arguments arising from the principles of law and equity which is a bit wider of an area for challenge. Section 21, subsection 6, paragraph (b) has grounds for nonenforcement for substantial hardships. I do not want to get into too much detail, but this Act is a positive development in the law. I agree with the preamble that indicates the pendulum in litigation has swung too far in recent years to enforcement of onerous agreements. The general question is if there is a need for a legislative broad-brush reconfiguration of the statute. It is hard to see all the ways that the changes made by this Act would play out. Essentially, I am here to answer any questions as to application or real-world litigation.

Senator Jones:
I had a case in probate court where we got into this issue of enforcement of a marital as opposed to a premarital agreement. I recollect there really is no enforcement of marital agreements under Nevada law. Is that an accurate statement?

Mr. Willick:
I would not say that was an accurate configuration, although cases go back to the 1950s, 1960s and certainly the 1970s. Before the UPAA was passed, there was no explicit demarcation by the Nevada Supreme Court between marital and premarital agreements. The *Cord v. Neuhoff*, 94 Nev. 21, 573 P.2d 1170 (1978) case for example, is a postnuptial agreement case which is widely taken as regulating matters. We have all of NRS 123, which generally regulates marital contracts, providing fiduciary duties between married persons and allowing them to explicitly do certain kinds of contracts—generally engage in any contract any unmarried person could enter into—with the acknowledgement of fiduciary duties between parties of particular need and dependence on one another. Statutory guidance approved by caselaw and NRS 123 regulates them. There has not been an explicit focus on postmarital agreements as opposed to premarital agreements since 1989.

Senator Jones:
It has been a year and a half since I dealt with the issue, but I remember a specific concern that our statutes did not provide the same guidance for marital agreements as for premarital agreements. Understanding concerns still exist with the bill, is there an impetus, even if not the current language, to provide additional statutory framework for marital agreements?

Mr. Willick:
No official policy exists with either the Family Law Section of the State Bar of Nevada, which feels constrained to make any policy decisions, or the Nevada Chapter of the AAML because of time constraints since circulation of the Act and those questions. I have been teaching courses in postmarital agreements for a couple of years. My general impetus has been to encourage people in actual litigation to follow the guidelines for premarital agreements in doing postnuptials on the theory that the fiduciary obligations are at least equivalent. Generally, there is an appetite for some regulation, but I would not suggest there is any wholesale or cavalier selection amongst these provisions because they are finely balanced. Deleting a section may have a great deal of unintended consequences.

Dixie Grossman (Nevada Justice Association):
Returning to the question Senator Jones asked, I am also a member of the Executive Council of the Family Law Section of the State Bar. We are here today as neutral because we agree with Mr. Care that more time should be afforded to this issue. For instance, when the Uniform Premarital Agreement Act was adopted in many states, at least 12 of those states made modifications specifically tailored to those states. We do not know what specific modifications Nevada may want or need. The Executive Council is restricted to some degree under the Bylaws of the Board of Governors in what we can support and how we have to notify all our members, which takes a great deal of time. The Board of Governors meets four times a year. All information has to be provided to the Board before the Executive Council can take a stand. We may be able to address the issue if afforded more time, but we can certainly work with more family law attorneys.

I agree with Mr. Willick that we may want to look at some good portions of this bill in 2 years. I also have concerns that although stated concerns say the pendulum has shifted to greatly favor parties freedom to contract, the bill in its current form adopts one of two provisions that the Uniform Law Commission

allows. It is for the initial substantial hardship test. My concern is that it may open the floodgates to more litigation of marital and premarital agreements. I do not know if that is a good thing or a bad thing. If passed, the bill may open the floodgates to domestic violence, saying you can obtain relief that you may not be entitled to if you can get that relief in a temporary protective order. Victims of domestic violence should have any rights afforded to them under NRS 33. How do we want that to mesh in the future? We are simply here to request more time.

Beth Luna (Nevada Justice Association):
I cannot be for or against this bill because I do feel it needs additional time with the Family Law Section of the State Bar for our evaluation to ensure it is consistent with the law of Nevada. We also want to ensure it complies with the changes we want to make. Some things need to be looked at further.

Mr. Care:
We will see how the Act plays out as drafted in the other jurisdictions that will try to move it this year. I will continue to work with everyone to see if we can come up with something for the next Legislative Session by having everyone on the same page.

Senator Ford:
I will close the hearing on S.B. 247.

Senator Kihuen:
I will open the hearing on S.B. 389.

SENATE BILL 389: Revises provisions relating to real property. (BDR 3-601)

Senator Tick Segerblom (Senatorial District No. 3):
This bill was brought to me by Lori Jordan, a prominent attorney in Las Vegas, who will make the presentation. Ms. Jordan does this for a living, and she says this bill will make things much simpler.

Lori A. Jordan:
I have prepared testimony in support of S.B. 389 (Exhibit K).

Senator Hutchison:
The intent of the bill is to say we have a problem with banks not being able to prove ownership with the numerous assignments that often take place. This bill attempts to clean up the process by saying if you cannot prove ownership, then your security interest is stripped from the bank. Although the underlying note obligation is not relieved, you hold an unsecured note. Is that accurate?

Ms. Jordan:
Yes.

Senator Hutchison:
How would someone determine whether the bank has produced sufficient documentation to prove ownership? That was always the challenge with A.B. No. 284 of the 76th Session. Will this bill address those challenges? Is the standard of A.B. No. 284 of the 76th Session relative to proving ownership preserved in S.B. 389, or is there a different standard?

Ms. Jordan:
I am unaware of a different standard. There is no standard asserted in the S.B. 389 original form. A standard could be added to the bill. As the bill reads now, the standard would have to come from other legislation.

Senator Hutchison:
The purpose of the bill is not to establish what constitutes documentation of ownership. If the banks cannot establish ownership, their secured interest is stripped. We would have to look to other legislation for that purpose.

Ms. Jordan:
Yes, as the bill is currently drafted.

Senator Hutchison:
Are you and the sponsor amenable to suggestions and amendments to demonstrate ways in which the bank could prove ownership?

Ms. Jordan:
Speaking for myself, yes, absolutely. I would be more than happy to participate in that discussion if called upon.

Senator Segerblom:
Can you provide an example of what this bill will address?

Ms. Jordan:
A person purchased a condominium in 2006 at the height of the market and that condo is now underwater. The note and the deed of trust have changed hands several times, and all of the paperwork cannot be located. The current holder of the deed of trust is unable to foreclose, and it has not yet filed a notice of default. The property is in a state of limbo. The owner would not be able to sell the property. The bank would not be able to foreclose and put the property on the market again. Under these circumstances, the owner, who occupies the residence and is maintaining the property—provided the person is current on taxes, HOA dues if applicable and utility liens—could potentially avail himself or herself to this law and acquire title to the property. This would sever the security interest, but the homeowner would still be responsible for the underlying debt.

Senator Segerblom:
At that point, do you anticipate the bank will reduce the amount of the mortgage or debt to go back into a security interest?

Ms. Jordan:
The bank could potentially seek to recover the debt some other way. If that happened, because the owner is still liable for the debt, the owner may be able to file bankruptcy if he or she could qualify to get the debt discharged. Not everyone qualifies for bankruptcy. In terms of having a live case in controversy at the courts, mediation could be beneficial to make the bank and owner negotiate with each other and ultimately resolve the ownership issues of the property.

Senator Segerblom:
Do you see banks unwilling to come to the table in your practice?

Ms. Jordan:
My practice consists of mostly construction defect cases. I do not have a live bankruptcy- or real-estate type practice. I am more interested in helping people who are underwater and those who are struggling in keeping their homes. I have heard concerns voiced by the Committee about helping rich people. This law, if

enacted, would not necessarily help rich people, and that would not be my intent.

From what I know of bankruptcy, if you do make a lot of money, the avenues for you to file bankruptcy are not pleasant. A person can file chapter 11 or chapter 13 bankruptcy, but they are painful avenues to pursue. The bill would mostly apply to lower income people who are underwater. My intent in drafting this legislation is to help those people. That is exclusive of my practice, which is in a completely unrelated area.

Mr. Smith:
I am a bankruptcy attorney who practices in southern Nevada and represents people in chapter 7 and chapter 13 bankruptcies. I also represent people in the foreclosure mediation process. I myself have been to foreclosure mediation with clients who have discharged debts in bankruptcy for other reasons. A representative from the bank will show up and be told the debt is discharged. There is no request for you to reduce the principal because federal law has reduced the principal. If you will come back to me, we are willing to enter into a new agreement with you to have the loan at the current market rate. You do not have to tell anyone you reduced the principal for us because we know that is important for all of you; we are happy to go forward with this, and the bank has refused.

Initially, because it is my job, I get in and see whether the bank has produced the original documents they are required to under NRS 107.086. In the three circumstances I am referencing, the bank was unable to do so. There would be no foreclosure because the bank has a legally flawed security instrument. Even in light of that, the bank is not willing to budge 1 inch. Any mediation or loan modification has universally been required to go at 100 percent of the debt discharged in the bankruptcy. A bill like S.B. 389 is a fairly radical idea being proposed. Nevertheless, S.B. 389 will be a tool to help people who have no other way of resolving this situation to settle. I have clients who have gone for 4 years through four different foreclosure mediations, and the bank has never once been able to produce the documents to show it has the right to foreclose, so the property stays in limbo.

Based on that information, I recommend that you look seriously at this bill. At the minimum the requirement to produce what you have would be useful for a lot of people in Nevada. At this point, the only way you can find out whether

the bank has a valid security interest is to default and force it into a foreclosure mediation. It is a drastic measure to define your situation. Getting that information ahead of time would be valuable to Nevadans.

Mr. Uffelman:
Section 1 of the bill has a cost to producing the documents and the like. Is the sponsor amenable to having to pay for that activity? The bill says we have had your note for 5 years, but it does not say the person is not paying the mortgage. Maybe the mortgage is being paid and you are testing the waters. There is a cost to that activity, and I would offer that it be done. With respect to the rest of the bill, there have extensive comments about the effect of A.B. No. 284 of the 76th Session and the corrections of A.B. No. 300 of the 76th Session. Remember, A.B. No. 284 of the 76th Session required personal knowledge. That was the most significant hang-up when considering activities that took place in the past. Now, someone filing an affidavit had business records to look at, but that arguably was insufficient to avoid the civil and criminal penalties. When people talk about correcting A.B. No. 284 of the 76th Session, A.B. No. 300 of the 76th Session provides for business record exclusion. The bill is an interesting concept; conceivably, one could arrive at how to have a quiet title action without documentation. The person has been sending in payments for 5 years and the documentation was there, but the warehouse burned down. We can work on that at some other point in time.

Senator Hutchison:
That is why I was asking about the standard by which you prove your security interest. The problem is that A.B. No. 284 of the 76th Session changed the standard established for hundreds of years under common law and codified by the Universal Commercial Code (UCC) in terms of what you do in the situation. Nevada does not have the first instance of a secured owner not having the documents to prove his or her security interest. A whole body of law deals with this. Assembly Bill No. 284 of the 76th Session changed that law, requiring banks to have personal knowledge which you have just addressed. I assume if this law were to change the standard back to what we have under the common law and to the UCC codification of how to prove when you do not have the actual security interest document that you have an enforceable security interest. You would probably be okay with that?

Mr. Uffelman:
We could work with that. In thinking back, a warehouse in Philadelphia was full of files. The business owners had declared bankruptcy, and the court gave 30 days for them to come get their files. Lenders did not know the files were in the warehouse, and many of the documents went to a landfill somewhere. It is an interesting dilemma.

Senator Segerblom:
The testimony gave us food for thought and showed what we aim to accomplish.

Senator Kihuen:
I will close the hearing on S.B. 389. Since there is nothing further to come before the Senate Judiciary Committee this morning, we are adjourned at 11:10 a.m.

RESPECTFULLY SUBMITTED:

_____
Martha Barnes,
Committee Secretary

APPROVED BY:

_____
Senator Tick Segerblom, Chair

DATE: _____

EXHIBITS				
Bill	**Exhibit**		**Witness / Agency**	**Description**
	A	1		Agenda
	B	6		Attendance Roster
S.B. 160	C	4	Senator Tick Segerblom	Presentation
S.B. 160	D	2	Venicia Considine	Prepared Testimony
S.B. 160	E	2	Senator Tick Segerblom	Letter from Douglas C. Flowers
S.B. 160	F	1	Keith J. Tierney	Letter of Support for S.B. 160, S.B. 278, S.B. 389
S.B. 424	G	1	Keith J. Tierney	Letter of Support
S.B. 278	H	14	Senator Aaron D. Ford	Proposed Amendment 7892
S.B. 247	I	1	Uniform Law Commission	Premarital and Marital Agreements Act Summary
S.B. 247	J	1	Terry J. Care	Why States Should Adopt the Uniform Premarital and Marital Agreements Act (2012)
S.B. 389	K	3	Lori A. Jordan	Prepared Testimony