

**MINUTES OF THE SUBCOMMITTEE OF THE
SENATE COMMITTEE ON JUDICIARY**

**Seventy-Eighth Session
May 7, 2015**

The subcommittee of the Senate Committee on Judiciary was called to order by Chair Greg Brower at 9:32 a.m. on Thursday, May 7, 2015, in Room 2134 of the Legislative Building, Carson City, 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.

SUBCOMMITTEE MEMBERS PRESENT:

Senator Greg Brower, Chair
Senator Ruben J. Kihuen
Senator Aaron D. Ford

SUBCOMMITTEE MEMBERS ABSENT:

Senator Becky Harris, Vice Chair (Excused)
Senator Michael Roberson (Excused)
Senator Scott Hammond (Excused)
Senator Tick Segerblom (Excused)

GUEST LEGISLATORS PRESENT:

Assemblyman Elliot T. Anderson, Assembly District No. 15

STAFF MEMBERS PRESENT:

Patrick Guinan, Policy Analyst
Nick Anthony, Counsel
Julia Barker, Committee Secretary

Chair Brower:

I open the subcommittee of the Senate Committee on Judiciary with the hearing on Assembly Bill (A.B.) 183.

ASSEMBLY BILL 183 (1st Reprint): Revises provisions related to real property.
(BDR 10-621)

Assemblyman Elliot T. Anderson (Assembly District No. 15)

Assembly Bill 183 addresses problems caused by a failure to record a deed in lieu of foreclosure in a timely manner. It is a clean title bill at heart. Throughout the Great Recession, the real estate market in Nevada was turbulent and plagued by uncertainty. Many times, people have been confused about their rights and responsibilities and frustrated by the confusing mortgage finance process and real estate practices.

This bill fixes one real estate practice that creates unnecessary stress for homeowners trying to get out of the market and move on with their lives. One way for homeowners in arrears on their mortgages to resolve the situation is to seek loan modifications. But loan modifications do not always happen, and some homeowners decide to cut their losses and sign over their houses to banks through deeds in lieu of foreclosure. In exchange for avoiding the time and expense of a foreclosure, the homeowner gets cash to help pay for moving expenses—generally \$1,000 to \$3,000—and an opportunity to start over. This type of transaction is known as “cash for keys.” Too often, the grantee—the bank—fails to record the deed in lieu of foreclosure in a timely manner, sometimes waiting more than a year. Because of this failure to record, the homeowner continues to be hounded by lien creditors, such as a homeowners’ associations, utility companies or local governments because the world does not know the title to the property has passed to the bank.

Assembly Bill 183 fixes this by requiring the grantee to record a deed in lieu of foreclosure within 30 days of execution and creating a cause of action for a homeowner or affected creditor to sue the grantee for its failure to record should that not happen. Oftentimes, that entails getting an attorney to defend the homeowner against the claims because the legal title and the equitable interest after the deed in lieu has not been signed and passed on. Any claims from lien creditors should go to the grantee.

Senate Bill No. 128 of the 75th Session was a similar bill, requiring recordation of a trustee’s deed upon sale within 30 days of the transaction. That bill had bipartisan sponsorship and was signed by the Governor. Assembly Bill 183 is another step toward improving the title system, helping everyone—especially homeowners trying to close out a stressful period in their lives.

Chair Brower:

Did anyone vote against this in the Assembly?

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Assemblyman Anderson:
No.

Chair Brower:

I will close the hearing on A.B. 183 and adjourn the meeting of the subcommittee on the Senate Committee on Judiciary at 9:37 a.m.

RESPECTFULLY SUBMITTED:

Julia Barker,
Committee Secretary

APPROVED BY:

Senator Greg Brower, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster