

# LENDERS UPDATE™

## ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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## NEW CALIFORNIA RECORDING FEE

Under existing law in California, there are programs providing assistance for various housing programs. These laws or programs also authorize the issuance of bonds and the proceeds to be used to fund some of these existing programs. Now we have a new program to be funded by the taxpayer.

A new bill, SB 2 called *The Building Homes and Jobs Act* has recently has been signed into law by Gov. Brown. The act sets forth various goals concerning the need to establish permanent funding dedicated to affordable housing development. The bill would impose a fee of \$75 “*to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property*”. The fee may not exceed \$225. The bill would require that a county recorder quarterly send revenues from this fee, after deduction of any actual and necessary administrative costs incurred, to the Controller for deposit in the Building Homes and Jobs Fund, which the bill would create within the State Treasury.

The bill would require 50% of the moneys deposited in the fund be made available to local governments for specified purposes and 50% made available to the Department of Housing and Community Development to assist persons experiencing or at risk of homelessness. Beginning in 2019 moneys collected will be split 70 % local, 30% state. The bill would also provide that funds, allocated to a local government that does not have a documented plan to expend these moneys within 5 years, revert and be deposited in the Housing Rehabilitation Loan Fund.

The bill will take effect immediately, but the fee will be collected beginning January 1st of 2018.

### ***ABOUT ALT & ASSOCIATES***

*Attorneys at Law*

Alt & Associates publishes the *Lenders Update* via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their business operations. Legal counsel provided to the mortgage industry includes, but is not limited to:

- \*\*Regulatory assistance, both state and federal**
- \*\*Compliance issues**
- \*\*Operational advice**
- \*\*Transactional issues**
- \*\*Preparation or review of agreements such as Loan Officer Compensation contracts etc.**
- \*\*Litigation**

You may direct any questions or comments directly to:

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