
SENATE BILL 6337

State of Washington

62nd Legislature

2012 Regular Session

By Senators Frockt, Fain, Haugen, and Litzow

Read first time 01/18/12. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to protecting short sale sellers from payment of
2 forgiven home loan debt if such debt forgiveness is reported to the
3 internal revenue service; and adding a new section to chapter 61.24
4 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 61.24 RCW
7 to read as follows:

8 If any beneficiary accepts a seller's written offer for the sale of
9 residential real property for which the sale's proceeds are
10 insufficient to pay in full the obligation owed to the beneficiary of
11 a deed of trust encumbering the residential real property, and the
12 seller subsequently reports to the internal revenue service that as a
13 consequence of the sale the beneficiary has cancelled all or a portion
14 of the obligation owed by the seller to the beneficiary, the
15 beneficiary or assignee of the beneficiary may not bring an action or
16 otherwise seek payment for the amount previously owed by the seller
17 that was reported to the internal revenue service.

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