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**ENGROSSED SUBSTITUTE SENATE BILL 5797**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Senate Financial Institutions & Insurance (originally sponsored by Senators Mullet, Fain, and Hobbs)

AN ACT Relating to the services and processes available when residential real property is abandoned or in foreclosure; amending RCW 61.24.173, 61.24.040, and 61.24.030; and adding new sections to chapter 61.24 RCW.

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

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

(1) A certificate of abandonment may be obtained for a fee through the housing finance commission by using a form and subject to the terms and conditions developed by the housing finance commission in conjunction with the servicing industry, trustees, and civil legal aid. The housing finance commission must determine the costs associated with the application process and set a reasonable application fee based upon these costs. The fee must not exceed one hundred dollars.

(2) Upon issuance of a certificate of abandonment, or upon receipt of notification from a servicer pursuant to section 2 or 3 of this act, the housing finance commission must notify the appropriate city, town, or county.

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

(1) A servicer to whom a borrower, after default, has granted written permission to enter the premises to inspect, secure, repair, or maintain the premises may enter the premises and act in accordance with the scope of the permission granted by the borrower.

(2) A servicer in possession of a court order allowing entry onto the premises to access, secure, maintain, and preserve the premises may enter the premises and act in accordance with the scope of the court order.

(3) A certificate of abandonment is not necessary under this section, but the servicer must notify the housing finance commission that it has obtained a court order or been granted written permission from the borrower in order that the commission may notify the appropriate city, town, or county.

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

(1) A servicer may perform reasonable external maintenance without the borrower's permission if, after default and after reasonable inspection and notice in accordance with this section, there is reasonable cause to believe that the property is abandoned.

(2) A certificate of abandonment is not necessary under this section, but the servicer must notify the housing finance commission that it intends to perform reasonable external maintenance in order that the commission may notify the appropriate city, town, or county.

(3) For purposes of this section:

(a) "Notice" means a written notice posted on the door, informing the occupants that in three days the servicer or its agent intends to perform external maintenance of the property. The notice must remain on the door until the servicer is contacted by the borrower or lawful occupant or until foreclosure is complete. The notice must include all of the following:

(i) Information about the borrower's or lawful occupant's right to possession;

(ii) A twenty-four hour phone number that the borrower or lawful occupant may call with questions or concerns or to obtain information; and

(iii) The toll-free telephone number or charge-free equivalent made available by the department to find a department-approved housing counseling agency.

(b) "Reasonable cause to believe that the property is abandoned" means that the property exhibits a lack of evidence of occupancy and at least one of the following indicia of abandonment:

(i) Overgrown or dead vegetation;

(ii) An accumulation of newspapers, circulars, fliers, or mail;

(iii) Past due utility notices, or some or all of the utilities have been disconnected;

(iv) An accumulation of trash, junk, or debris;

(v) Broken windows.

(c) "Reasonable external maintenance" includes:

(i) Maintaining landscaping;

(ii) Collecting and disposing of newspapers, circulars, trash, and debris;

(iii) Painting over graffiti or tagging; and

(iv) The removal of hazardous property. If property is removed, the servicer must inventory and document the removal.

(d) "Reasonable inspection" means inspection from the street without entering the property.

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

(1) A certificate of abandonment for entry into a dwelling without the borrower's permission permits a servicer or its agent to enter the property to take reasonable steps to secure the property. Upon issuance of a certificate of abandonment, the housing finance commission must notify the appropriate city, town, or county.

(2) The following conditions must be met before issuance of a certificate of abandonment:

(a) The borrower is in default and the property is abandoned, as indicated by the presence of at least three of the following indicia of abandonment visible from the exterior: (i) The absence of furnishings and personal items consistent with residential habitation; (ii) the gas, electric, and water utility services have been disconnected; (iii) statements by neighbors, passersby, delivery agents, or government employees that the property is vacant; (iv) multiple windows on the property are boarded up or closed off or are smashed through, broken, or unhinged, or multiple window panes are broken and unrepaired; (v) doors on the residence are smashed through, broken off, unhinged, or continuously unlocked; (vi) the property has been stripped of copper or other materials, or interior fixtures have been removed; (vii) law enforcement officials have received at least one report of trespassing or vandalism or other illegal activities occurring on the property within the immediately preceding six months; (viii) the property has been declared unfit for occupancy and ordered to remain vacant and unoccupied pursuant to an order issued by a municipal or county authority or a court of competent jurisdiction; (ix) construction was initiated on the property and was discontinued before completion, leaving a building unsuitable for occupancy, and construction has not taken place for at least six months; (x) newspapers, circulars, flyers, or mail has accumulated on the property or the United States postal service has discontinued delivery to the property; (xi) rubbish, trash, debris, neglected vegetation, or natural overgrowth has accumulated on the property; (xii) hazardous, noxious, or unhealthy substances or materials have accumulated on the property; (xiii) other credible evidence exists indicating the intent to vacate and abandon the property; and either

(b) The property is open and unprotected or in reasonable danger of significant damage resulting from exposure to the elements or vandalism; or

(c) The local police, fire department, or code enforcement authority has requested that the borrower, owner, or any other interested or authorized party secure the residential real property because the local authority has declared the property to be an imminent danger to the health, safety, and welfare of the public.

(3) Within seven days of issuance of the certificate of abandonment, the servicer or its agent must post a written notice on the door informing the occupants that after thirty days the servicer or its agent intends to enter the dwelling to take reasonable steps to secure the property. The notice must remain on the door until the servicer is contacted by the borrower or lawful occupant or until foreclosure is complete. The notice must include all of the following:

(a) Information about the borrower's or lawful occupant's right to possession;

(b) A twenty-four hour phone number that the borrower or lawful occupant may call with questions or concerns or to obtain information; and

(c) The phone number of a housing counseling agency and information regarding the foreclosure fairness act.

(4) Absent the threat of imminent danger of harm, the servicer or its agent must wait thirty days after posting the notice before entering to take reasonable steps to secure the property. If there is imminent danger of harm, the servicer or its agent need not wait thirty days but may enter immediately and, simultaneous with entry, post the notice required under subsection (3) of this section.

(5) Reasonable steps to secure the property include:

(a) Installing missing locks on exterior doors. Working locks may not be removed or replaced, unless all doors are secured and there is no other means of entry, and in such cases only one working lock may be removed and replaced;

(b) Replacing or boarding broken or missing windows;

(c) Winterizing, including draining pipes and disconnecting or turning on utilities;

(d) Eliminating building code or other code violations; or

(e) Securing exterior pools and spas.

(6) The servicer must document all steps to enter and secure the property, including taking date and time-stamped photographs of entry, and the manner of entry.

(7) Personal property may not be removed unless it is hazardous or perishable, and in such case an inventory and photographs of the property removed must be made.

(8) The servicer or agent must retain all documentation and photographs for a period of four years.

(9) The servicer and its agents must promptly exit the property if, upon entry, there are signs of occupancy.

(10) For purposes of this section, "imminent danger of harm" means:

(a) Active flooding, including damage to the roof such that water is entering the structure;

(b) Extreme weather conditions exist and immediate and extensive property damage is likely;

(c) Notification by the police, fire department, or code enforcement that there is immediate danger to health, safety, and welfare of the public; or

(d) Broken windows or damaged doors that could allow unlawful access to the property.

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

The authority of an agent, such as a property preservation entity, to enter abandoned property and to perform any sort of work derives solely from the servicer's authority. A servicer has a duty to monitor its agents and to make sure that its agents possess the required permit, license, certificate, or registration, and are properly bonded and insured if so required. The servicer must require that the agent implement stringent background check requirements for all of its employees engaged in on-site property preservation.

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

(1) As used in this section:

(a) "Maintain" means:

(i) Securing doors and windows;

(ii) Landscaping;

(iii) Collecting and disposing of newspapers, circulars, trash, and debris;

(iv) Removing hazardous property;

(v) Securing exterior pools and hot tubs; and

(vi) Eliminating other threats to public health and safety.

(b) "Reasonable costs" means actual and demonstrable costs that are commensurate with and do not exceed the market rate for services necessary to remedy a condition resulting from a failure to maintain, plus the actual and demonstrable costs of administering a contract for services to remedy the condition or the portion of the costs of a program to remedy the condition that is attributable to remedying a condition for specific property.

(2)(a) Beginning thirty days after obtaining written permission or a court order as described under section 2 of this act or the issuance of a certificate of abandonment under section 4 of this act, and until the later of the recording of the trustee's deed by the purchaser or fifteen days after physical delivery of the trustee's deed to the purchaser, a beneficiary or its agent or servicer is under a duty to maintain the property during any period in which the property is vacant.

(b) A servicer must provide the servicer's name or the name of the servicer's agent and a telephone number or other means for contacting the servicer or agent to an official that the local government designates to receive the information described in this subsection.

(c) The servicer must post a durable notice in a conspicuous location on the property that lists a telephone number for the servicer or for the local government that a person may call to report a condition of neglect. The servicer must replace the notice if the notice is removed from the property during a period when the property is vacant.

(d) A servicer or the agent of a servicer must identify the borrower to the local government and provide to, and maintain with, the local government current contact information during a period when the property is vacant.

(3)(a) If a local government finds a violation of subsection (2)(a) of this section, the local government must notify the servicer, in writing, that the property is the subject of the violation and in accordance with (b) or (c) of this subsection, as appropriate, must specify a time within which the servicer must remedy the condition that is the basis for the local government's finding.

(b) The local government must allow the servicer not fewer than thirty days to remedy the violation, unless the local government makes a determination under (c) of this subsection, and must provide the servicer with an opportunity to contest the local government's finding at a hearing. The servicer must contest the local government's finding within ten days after the local government notifies the servicer of the violation.

(c) If the local government determines that a specific condition of the property constitutes a threat to public health or safety, the local government may require the servicer to remedy the specific condition in fewer than thirty days, provided that the local government specifies in the written notice the date by which the servicer must remedy the specific condition. A local government may specify in the written notice different dates by which the servicer must remedy separate conditions of neglect on the foreclosed residential real property.

(4)(a) After a local government allows a servicer the time specified in subsection (3)(b) of this section or makes a determination under subsection (3)(c) of this section, the local government may remedy or contract with another person to remedy and require the servicer to reimburse the local government for reasonable costs the local government incurs under this subsection.

(b) A local government that has incurred costs with respect to property under (a) of this subsection has a lien on the property for the sum of the local government's unreimbursed costs. A lien created under this subsection is prior to all other liens and encumbrances, except that the lien has equal priority with a tax lien. The lien attaches at the time the local government files a claim of lien with the county clerk of the county in which the property is located. A local government may bring an action in the superior court to foreclose the lien in the manner provided for foreclosing other liens on real or personal property.

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

(1) As used in this section:

(a) "Neglect" means:

(i) To fail or a failure to maintain the buildings, grounds, or appurtenances of property in such a way as to allow:

(A) Excessive growth of foliage that diminishes the value of adjacent property;

(B) Trespassers to remain on the foreclosed residential real property or in a structure located on the foreclosed residential real property;

(C) Mosquito larvae or pupae to grow in standing water on the property; or

(D) Other conditions on the property that cause or contribute to causing a public nuisance;

(ii) To fail or a failure to monitor the condition of property by inspecting the property at least once every thirty days with sufficient attention so as to prevent, or to identify and remedy, a condition described in (a)(i) of this subsection.

(b) "Reasonable costs" means actual and demonstrable costs that are commensurate with and do not exceed the market rate for services necessary to remedy a condition of neglect, plus the actual and demonstrable costs of administering a contract for services to remedy a condition of neglect or the portion of the costs of a program to remedy conditions of neglect that are attributable to remedying a condition of neglect for specific property.

(2)(a) A servicer is under an obligation to maintain and may not neglect the property during any period in which the property is vacant.

(b) A servicer must provide the servicer's name or the name of the servicer's agent and a telephone number or other means for contacting the servicer or agent to an official that the local government designates to receive the information described in this subsection.

(c) The servicer must post a durable notice in a conspicuous location on the property that lists a telephone number for the servicer or for the local government that a person may call to report a condition of neglect. The servicer must replace the notice if the notice is removed from the property during a period when the property is vacant.

(d) A servicer or the agent of a servicer must identify the borrower to the local government and provide to, and maintain with, the local government current contact information during a period when the property is vacant.

(3)(a) If a local government finds a violation of subsection (2)(a) of this section, the local government must notify the servicer, in writing, that the property is the subject of the violation and in accordance with (b) or (c) of this subsection, as appropriate, must specify a time within which the servicer must remedy the condition of neglect that is the basis for the local government's finding.

(b) The local government must allow the servicer not fewer than thirty days to remedy the violation, unless the local government makes a determination under (c) of this subsection, and must provide the servicer with an opportunity to contest the local government's finding at a hearing. The servicer must contest the local government's finding within ten days after the local government notifies the servicer of the violation.

(c) If the local government determines that a specific condition of the property constitutes a threat to public health or safety, the local government may require the servicer to remedy the specific condition in fewer than thirty days, provided that the local government specifies in the written notice the date by which the servicer must remedy the specific condition. A local government may specify in the written notice different dates by which the servicer must remedy separate conditions of neglect on the foreclosed residential real property.

(4)(a) After a local government allows a servicer the time specified in subsection (3)(b) of this section or makes a determination under subsection (3)(c) of this section, the local government may remedy or contract with another person to remedy neglect or a specific condition of neglect on property and require the servicer to reimburse the local government for reasonable costs the local government incurs under this subsection.

(b) A local government that has incurred costs with respect to property under (a) of this subsection has a lien on the property for the sum of the local government's unreimbursed costs. A lien created under this subsection is prior to all other liens and encumbrances, except that the lien has equal priority with a tax lien. The lien attaches at the time the local government files a claim of lien with the county clerk of the county in which the property is located. A local government may bring an action in the superior court to foreclose the lien in the manner provided for foreclosing other liens on real or personal property.

**Sec.**  RCW 61.24.173 and 2016 c 196 s 2 are each amended to read as follows:

(1) ((~~Except as provided in subsections (4) and (5) of this section, beginning July 1, 2016, and every quarter thereafter, every beneficiary on whose behalf a notice of trustee's sale has been recorded pursuant to RCW 61.24.040 on residential real property under this chapter must:~~

~~(a) Report to the department the number of notices of trustee's sale recorded for each residential property during the previous quarter;~~

~~(b) Remit the amount required under subsection (2) of this section; and~~

~~(c) Report and update beneficiary contact information for the person and work group responsible for the beneficiary's compliance with the requirements of the foreclosure fairness act created in this chapter.~~

~~(2)~~)) For each notice of trustee's sale recorded on residential real property, the beneficiary on whose behalf the notice of trustee's sale has been recorded shall remit ((~~two hundred fifty dollars to the department to be deposited, as provided under RCW 61.24.172, into the foreclosure fairness account~~)) three hundred dollars to the county auditor or recording officer at the time of recording the notice of trustee's sale. The ((~~two~~)) three hundred ((~~fifty~~)) dollar payment is required for every recorded notice of trustee's sale for noncommercial loans on residential real property, but does not apply to the recording of an amended notice of trustee's sale. ((~~If the beneficiary previously made a payment under RCW 61.24.174, as it existed prior to July 1, 2016, for a notice of default supporting the recorded notice of trustee's sale, no payment is required under this section. The beneficiary shall remit the total amount required in a lump sum each quarter.~~

~~(3) Reporting and payments under subsections (1) and (2) of this section are due within forty-five days of the end of each quarter.~~

~~(4) This section does not apply to any beneficiary or loan servicer that is a federally insured depository institution, as defined in 12 U.S.C. Sec. 461(b)(1)(A), and that certifies under penalty of perjury that fewer than fifty notices of trustee's sale were recorded on its behalf in the preceding year.~~

~~(5)~~)) (a) The county auditor or recording officer shall retain three percent for collection of the fee and the amount retained must be used for purposes of operations and maintenance consistent with RCW 36.22.170(2)(b).

(b) The county treasurer or recording officer shall remit the remaining funds to the state treasurer on a monthly basis for deposit into the foreclosure fairness account.

(2) Any beneficiary or loan servicer that is a federally insured depository institution, as defined in 12 U.S.C. Sec. 461(b)(1)(A), that records fewer than fifty notices of trustee's sale for residential real property during a calendar year may apply to the department for a refund of the recording fee established under this section. At the option of the beneficiary or loan servicer, a refund application may be submitted on a quarterly or an annual basis according to rules adopted by the department.

(3) This section does not apply to association beneficiaries subject to chapter 64.32, 64.34, or 64.38 RCW.

((~~(6)~~)) (4) For purposes of this section, "residential real property" includes residential real property with up to four dwelling units, whether or not the property or any part thereof is owner-occupied.

**Sec.**  RCW 61.24.040 and 2012 c 185 s 10 are each amended to read as follows:

A deed of trust foreclosed under this chapter shall be foreclosed as follows:

(1) At least ninety days before the sale, or if a letter under RCW 61.24.031 is required, at least one hundred twenty days before the sale, the trustee shall:

(a) Record a notice in the form described in ((~~(f) of this~~)) subsection (2) of this section in the office of the auditor in each county in which the deed of trust is recorded;

(b) To the extent the trustee elects to foreclose its lien or interest, or the beneficiary elects to preserve its right to seek a deficiency judgment against a borrower or grantor under RCW 61.24.100(3)(a), and if their addresses are stated in a recorded instrument evidencing their interest, lien, or claim of lien, or an amendment thereto, or are otherwise known to the trustee, cause a copy of the notice of sale described in ((~~(f) of this~~)) subsection (2) of this section to be transmitted by both first-class and either certified or registered mail, return receipt requested, to the following persons or their legal representatives, if any, at such address:

(i) The borrower and grantor;

(ii) The beneficiary of any deed of trust or mortgagee of any mortgage, or any person who has a lien or claim of lien against the property, that was recorded subsequent to the recordation of the deed of trust being foreclosed and before the recordation of the notice of sale;

(iii) The vendee in any real estate contract, the lessee in any lease, or the holder of any conveyances of any interest or estate in any portion or all of the property described in such notice, if that contract, lease, or conveyance of such interest or estate, or a memorandum or other notice thereof, was recorded after the recordation of the deed of trust being foreclosed and before the recordation of the notice of sale;

(iv) The last holder of record of any other lien against or interest in the property that is subject to a subordination to the deed of trust being foreclosed that was recorded before the recordation of the notice of sale;

(v) The last holder of record of the lien of any judgment subordinate to the deed of trust being foreclosed; and

(vi) The occupants of property consisting solely of a single-family residence, or a condominium, cooperative, or other dwelling unit in a multiplex or other building containing fewer than five residential units, whether or not the occupant's rental agreement is recorded, which notice may be a single notice addressed to "occupants" for each unit known to the trustee or beneficiary;

(c) Cause a copy of the notice of sale described in ((~~(f) of this~~)) subsection (2) of this section to be transmitted by both first-class and either certified or registered mail, return receipt requested, to the plaintiff or the plaintiff's attorney of record, in any court action to foreclose a lien or other encumbrance on all or any part of the property, provided a court action is pending and a lis pendens in connection therewith is recorded in the office of the auditor of any county in which all or part of the property is located on the date the notice is recorded;

(d) Cause a copy of the notice of sale described in ((~~(f) of this~~)) subsection (2) of this section to be transmitted by both first-class and either certified or registered mail, return receipt requested, to any person who has recorded a request for notice in accordance with RCW 61.24.045, at the address specified in such person's most recently recorded request for notice;

(e) Cause a copy of the notice of sale described in ((~~(f) of this~~)) subsection (2) of this section to be posted in a conspicuous place on the property, or in lieu of posting, cause a copy of said notice to be served upon any occupant of the property;

((~~(f)~~)) (2)(a) The notice required in subsection (1) of this section must include a cover sheet on which it is clearly indicated the name of the beneficiary and whether the loan is commercial or noncommercial. In addition to any other indexing requirements, the auditor shall index the notice of trustee's sale by beneficiary. Unless clearly indicated that the loan is commercial, three hundred dollars must be remitted pursuant to RCW 61.24.173(1).

(b) The notice ((~~shall~~)) must be in substantially the following form:

NOTICE OF TRUSTEE'S SALE

I.

NOTICE IS HEREBY GIVEN that the undersigned Trustee will on the . . . . day of . . . . . ., . . ., at the hour of . . . . o'clock . . . . M. at  . . . . . . . . . . . . . . . . . . . . . . . . . . . . [street address and location if inside a building] in the City of . . . . . ., State of Washington, sell at public auction to the highest and best bidder, payable at the time of sale, the following described real property, situated in the County(ies) of . . . . . ., State of Washington, to-wit:

[If any personal property is to be included in the trustee's sale, include a description that reasonably identifies such personal property]

which is subject to that certain Deed of Trust dated . . . . . ., . . ., recorded . . . . . ., . . ., under Auditor's File No. . . . ., records of . . . . . . County, Washington, from . . . . . . . . ., as Grantor, to . . . . . . . . ., as Trustee, to secure an obligation in favor of . . . . . . . . ., as Beneficiary, the beneficial interest in which was assigned by . . . . . . . . ., under an Assignment recorded under Auditor's File No. . . . . [Include recording information for all counties if the Deed of Trust is recorded in more than one county.]

II.

No action commenced by the Beneficiary of the Deed of Trust is now pending to seek satisfaction of the obligation in any Court by reason of the Borrower's or Grantor's default on the obligation secured by the Deed of Trust.

[If there is another action pending to foreclose other security for all or part of the same debt, qualify the statement and identify the action.]

III.

The default(s) for which this foreclosure is made is/are as follows:

[If default is for other than payment of money, set forth the particulars]

Failure to pay when due the following amounts which are now in arrears:

IV.

The sum owing on the obligation secured by the Deed of Trust is: Principal $ . . . . . ., together with interest as provided in the note or other instrument secured from the . . . . day of . . . . . ., . . ., and such other costs and fees as are due under the note or other instrument secured, and as are provided by statute.

V.

The above-described real property will be sold to satisfy the expense of sale and the obligation secured by the Deed of Trust as provided by statute. The sale will be made without warranty, express or implied, regarding title, possession, or encumbrances on the . . . . day of . . . . . ., . . . The default(s) referred to in paragraph III must be cured by the . . . . day of . . . . . ., . . . (11 days before the sale date), to cause a discontinuance of the sale. The sale will be discontinued and terminated if at any time on or before the . . . . day of . . . . . ., . . ., (11 days before the sale date), the default(s) as set forth in paragraph III is/are cured and the Trustee's fees and costs are paid. The sale may be terminated any time after the . . . . day of . . . . . ., . . . (11 days before the sale date), and before the sale by the Borrower, Grantor, any Guarantor, or the holder of any recorded junior lien or encumbrance paying the entire principal and interest secured by the Deed of Trust, plus costs, fees, and advances, if any, made pursuant to the terms of the obligation and/or Deed of Trust, and curing all other defaults.

VI.

A written notice of default was transmitted by the Beneficiary or Trustee to the Borrower and Grantor at the following addresses:

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by both first-class and certified mail on the . . . . day of . . . . . ., . . ., proof of which is in the possession of the Trustee; and the Borrower and Grantor were personally served on the . . . . day of . . . . . ., . . ., with said written notice of default or the written notice of default was posted in a conspicuous place on the real property described in paragraph I above, and the Trustee has possession of proof of such service or posting.

VII.

The Trustee whose name and address are set forth below will provide in writing to anyone requesting it, a statement of all costs and fees due at any time prior to the sale.

VIII.

The effect of the sale will be to deprive the Grantor and all those who hold by, through or under the Grantor of all their interest in the above-described property.

IX.

Anyone having any objection to the sale on any grounds whatsoever will be afforded an opportunity to be heard as to those objections if they bring a lawsuit to restrain the sale pursuant to RCW 61.24.130. Failure to bring such a lawsuit may result in a waiver of any proper grounds for invalidating the Trustee's sale.

[Add Part X to this notice if applicable under RCW 61.24.040((~~(9)~~)) (11)]

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[Acknowledgment]

((~~(g)~~)) (3) If the borrower received a letter under RCW 61.24.031, the notice specified in subsection ((~~(1)(f)~~)) (2) of this section ((~~shall~~)) must also include the following additional language:

**"THIS NOTICE IS THE FINAL STEP BEFORE THE FORECLOSURE SALE OF YOUR HOME.**

You have only 20 DAYS from the recording date on this notice to pursue mediation.

**DO NOT DELAY. CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW** to assess your situation and refer you to mediation if you are eligible and it may help you save your home. See below for safe sources of help.

**SEEKING ASSISTANCE**

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: . . . . . . . . Web site: . . . . . . . .

The United States Department of Housing and Urban Development

Telephone: . . . . . . . . Web site: . . . . . . . .

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: . . . . . . . . Web site: . . . . . . . ."

The beneficiary or trustee shall obtain the toll‑free numbers and web site information from the department for inclusion in the notice;

((~~(2)~~)) (4) In addition to providing the borrower and grantor the notice of sale described in subsection ((~~(1)(f)~~)) (2) of this section, the trustee shall include with the copy of the notice which is mailed to the grantor, a statement to the grantor in substantially the following form:

NOTICE OF FORECLOSURE

Pursuant to the Revised Code of Washington,

Chapter 61.24 RCW

The attached Notice of Trustee's Sale is a consequence of default(s) in the obligation to . . . . . ., the Beneficiary of your Deed of Trust and owner of the obligation secured thereby. Unless the default(s) is/are cured, your property will be sold at auction on the . . . . day of . . . . . ., . . .

To cure the default(s), you must bring the payments current, cure any other defaults, and pay accrued late charges and other costs, advances, and attorneys' fees as set forth below by the . . . . day of . . . . . ., . . . [11 days before the sale date]. To date, these arrears and costs are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Estimated amount | |
|  | Currently due | that will be due | |
|  | to reinstate | to reinstate | |
|  | on . . . . . | on . . . . . | |
|  | . . . . . . | . . . . . . | |
|  |  | (11 days before | |
|  |  | the date set | |
|  |  | for sale) | |
| Delinquent payments | |  | |
| from . . . . . ., |  |  | |
| . . ., in the |  |  | |
| amount of |  |  | |
| $ . . . ./mo.: | $ . . . . | $ . . . . | |
| Late charges in |  |  | |
| the total |  |  | |
| amount of: | $ . . . . | $ . . . . | |
|  |  |  | Estimated |
|  |  |  | Amounts |
| Attorneys' fees: | $ . . . . | $ . . . . | |
| Trustee's fee: | $ . . . . | $ . . . . | |
| Trustee's expenses: | |  | |
| (Itemization) |  |  | |
| Title report | $ . . . . | $ . . . . | |
| Recording fees | $ . . . . | $ . . . . | |
| Service/Posting  of Notices | $ . . . . | $ . . . . | |
| Postage/Copying  expense | $ . . . . | $ . . . . | |
| Publication | $ . . . . | $ . . . . | |
| Telephone  charges | $ . . . . | $ . . . . | |
| Inspection fees | $ . . . . | $ . . . . | |
| . . . . . . | $ . . . . | $ . . . . | |
| . . . . . . | $ . . . . | $ . . . . | |
| TOTALS | $ . . . . | $ . . . . | |

To pay off the entire obligation secured by your Deed of Trust as of the . . . . . day of . . . . . . you must pay a total of $. . . . . in principal, $. . . . . in interest, plus other costs and advances estimated to date in the amount of $. . . . . . From and after the date of this notice you must submit a written request to the Trustee to obtain the total amount to pay off the entire obligation secured by your Deed of Trust as of the payoff date.

As to the defaults which do not involve payment of money to the Beneficiary of your Deed of Trust, you must cure each such default. Listed below are the defaults which do not involve payment of money to the Beneficiary of your Deed of Trust. Opposite each such listed default is a brief description of the action necessary to cure the default and a description of the documentation necessary to show that the default has been cured.

|  |  |  |
| --- | --- | --- |
| Default | Description of Action Required to Cure and | |
|  | Documentation Necessary to Show Cure | |
|  |  |  |
|  |  |  |
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|  |  |  |
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You may reinstate your Deed of Trust and the obligation secured thereby at any time up to and including the . . . . day of . . . . . ., . . . [11 days before the sale date], by paying the amount set forth or estimated above and by curing any other defaults described above. Of course, as time passes other payments may become due, and any further payments coming due and any additional late charges must be added to your reinstating payment. Any new defaults not involving payment of money that occur after the date of this notice must also be cured in order to effect reinstatement. In addition, because some of the charges can only be estimated at this time, and because the amount necessary to reinstate or to pay off the entire indebtedness may include presently unknown expenditures required to preserve the property or to comply with state or local law, it will be necessary for you to contact the Trustee before the time you tender reinstatement or the payoff amount so that you may be advised of the exact amount you will be required to pay. Tender of payment or performance must be made to: . . . . . ., whose address is . . . . . ., telephone (   ) . . . . . . AFTER THE . . . . DAY OF . . . . . ., . . ., YOU MAY NOT REINSTATE YOUR DEED OF TRUST BY PAYING THE BACK PAYMENTS AND COSTS AND FEES AND CURING THE OTHER DEFAULTS AS OUTLINED ABOVE. The Trustee will respond to any written request for current payoff or reinstatement amounts within ten days of receipt of your written request. In such a case, you will only be able to stop the sale by paying, before the sale, the total principal balance ($ . . . . . .) plus accrued interest, costs and advances, if any, made pursuant to the terms of the documents and by curing the other defaults as outlined above.

You may contest this default by initiating court action in the Superior Court of the county in which the sale is to be held. In such action, you may raise any legitimate defenses you have to this default. A copy of your Deed of Trust and documents evidencing the obligation secured thereby are enclosed. You may wish to consult a lawyer. Legal action on your part may prevent or restrain the sale, but only if you persuade the court of the merits of your defense. You may contact the Department of Financial Institutions or the statewide civil legal aid hotline for possible assistance or referrals.

The court may grant a restraining order or injunction to restrain a trustee's sale pursuant to RCW 61.24.130 upon five days notice to the trustee of the time when, place where, and the judge before whom the application for the restraining order or injunction is to be made. This notice shall include copies of all pleadings and related documents to be given to the judge. Notice and other process may be served on the trustee at:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | NAME: |  | | |
|  | ADDRESS: | |  | |
|  |  | |  | |
|  | TELEPHONE NUMBER: | | |  |

If you do not reinstate the secured obligation and your Deed of Trust in the manner set forth above, or if you do not succeed in restraining the sale by court action, your property will be sold. The effect of such sale will be to deprive you and all those who hold by, through or under you of all interest in the property;

((~~(3)~~)) (5) In addition, the trustee shall cause a copy of the notice of sale described in subsection ((~~(1)(f)~~)) (2) of this section (excluding the acknowledgment) to be published in a legal newspaper in each county in which the property or any part thereof is situated, once on or between the thirty-fifth and twenty-eighth day before the date of sale, and once on or between the fourteenth and seventh day before the date of sale;

((~~(4)~~)) (6) On the date and at the time designated in the notice of sale, the trustee or its authorized agent shall sell the property at public auction to the highest bidder. The trustee may sell the property in gross or in parcels as the trustee shall deem most advantageous;

((~~(5)~~)) (7) The place of sale shall be at any designated public place within the county where the property is located and if the property is in more than one county, the sale may be in any of the counties where the property is located. The sale shall be on Friday, or if Friday is a legal holiday on the following Monday, and during the hours set by statute for the conduct of sales of real estate at execution;

((~~(6)~~)) (8) The trustee has no obligation to, but may, for any cause the trustee deems advantageous, continue the sale for a period or periods not exceeding a total of one hundred twenty days by (a) a public proclamation at the time and place fixed for sale in the notice of sale and if the continuance is beyond the date of sale, by giving notice of the new time and place of the sale by both first class and either certified or registered mail, return receipt requested, to the persons specified in subsection (1)(b)(i) and (ii) of this section to be deposited in the mail (i) not less than four days before the new date fixed for the sale if the sale is continued for up to seven days; or (ii) not more than three days after the date of the continuance by oral proclamation if the sale is continued for more than seven days, or, alternatively, (b) by giving notice of the time and place of the postponed sale in the manner and to the persons specified in subsection (1)(b), (c), (d), and (e) of this section and publishing a copy of such notice once in the newspaper(s) described in subsection ((~~(3)~~)) (5) of this section, more than seven days before the date fixed for sale in the notice of sale. No other notice of the postponed sale need be given;

((~~(7)~~)) (9) The purchaser shall forthwith pay the price bid and on payment the trustee shall execute to the purchaser its deed; the deed shall recite the facts showing that the sale was conducted in compliance with all of the requirements of this chapter and of the deed of trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value, except that these recitals shall not affect the lien or interest of any person entitled to notice under subsection (1) of this section, if the trustee fails to give the required notice to such person. In such case, the lien or interest of such omitted person shall not be affected by the sale and such omitted person shall be treated as if such person was the holder of the same lien or interest and was omitted as a party defendant in a judicial foreclosure proceeding;

((~~(8)~~)) (10) The sale as authorized under this chapter shall not take place less than one hundred ninety days from the date of default in any of the obligations secured;

((~~(9)~~)) (11) If the trustee elects to foreclose the interest of any occupant or tenant of property comprised solely of a single-family residence, or a condominium, cooperative, or other dwelling unit in a multiplex or other building containing fewer than five residential units, the following notice shall be included as Part X of the Notice of Trustee's Sale:

X. NOTICE TO OCCUPANTS OR TENANTS

The purchaser at the trustee's sale is entitled to possession of the property on the 20th day following the sale, as against the grantor under the deed of trust (the owner) and anyone having an interest junior to the deed of trust, including occupants who are not tenants. After the 20th day following the sale the purchaser has the right to evict occupants who are not tenants by summary proceedings under chapter 59.12 RCW. For tenant-occupied property, the purchaser shall provide a tenant with written notice in accordance with RCW 61.24.060;

((~~(10)~~)) (12) Only one copy of all notices required by this chapter need be given to a person who is both the borrower and the grantor. All notices required by this chapter that are given to a general partnership are deemed given to each of its general partners, unless otherwise agreed by the parties.

**Sec.**  RCW 61.24.030 and 2012 c 185 s 9 are each amended to read as follows:

It shall be requisite to a trustee's sale:

(1) That the deed of trust contains a power of sale;

(2) That the deed of trust contains a statement that the real property conveyed is not used principally for agricultural purposes; provided, if the statement is false on the date the deed of trust was granted or amended to include that statement, and false on the date of the trustee's sale, then the deed of trust must be foreclosed judicially. Real property is used for agricultural purposes if it is used in an operation that produces crops, livestock, or aquatic goods;

(3) That a default has occurred in the obligation secured or a covenant of the grantor, which by the terms of the deed of trust makes operative the power to sell;

(4) That no action commenced by the beneficiary of the deed of trust is now pending to seek satisfaction of an obligation secured by the deed of trust in any court by reason of the grantor's default on the obligation secured: PROVIDED, That (a) the seeking of the appointment of a receiver, or the filing of a civil case to obtain court approval to access, secure, maintain, and preserve property from waste or nuisance, shall not constitute an action for purposes of this chapter; and (b) if a receiver is appointed, the grantor shall be entitled to any rents or profits derived from property subject to a homestead as defined in RCW 6.13.010. If the deed of trust was granted to secure a commercial loan, this subsection shall not apply to actions brought to enforce any other lien or security interest granted to secure the obligation secured by the deed of trust being foreclosed;

(5) That the deed of trust has been recorded in each county in which the land or some part thereof is situated;

(6) That prior to the date of the notice of trustee's sale and continuing thereafter through the date of the trustee's sale, the trustee must maintain a street address in this state where personal service of process may be made, and the trustee must maintain a physical presence and have telephone service at such address;

(7)(a) That, for residential real property, before the notice of trustee's sale is recorded, transmitted, or served, the trustee shall have proof that the beneficiary is the owner of any promissory note or other obligation secured by the deed of trust. A declaration by the beneficiary made under the penalty of perjury stating that the beneficiary is the actual holder of the promissory note or other obligation secured by the deed of trust shall be sufficient proof as required under this subsection.

(b) Unless the trustee has violated his or her duty under RCW 61.24.010(4), the trustee is entitled to rely on the beneficiary's declaration as evidence of proof required under this subsection.

(c) This subsection (7) does not apply to association beneficiaries subject to chapter 64.32, 64.34, or 64.38 RCW;

(8) That at least thirty days before notice of sale shall be recorded, transmitted or served, written notice of default shall be transmitted by the beneficiary or trustee to the borrower and grantor at their last known addresses by both first-class and either registered or certified mail, return receipt requested, and the beneficiary or trustee shall cause to be posted in a conspicuous place on the premises, a copy of the notice, or personally served on the borrower and grantor. This notice shall contain the following information:

(a) A description of the property which is then subject to the deed of trust;

(b) A statement identifying each county in which the deed of trust is recorded and the document number given to the deed of trust upon recording by each county auditor or recording officer;

(c) A statement that the beneficiary has declared the borrower or grantor to be in default, and a concise statement of the default alleged;

(d) An itemized account of the amount or amounts in arrears if the default alleged is failure to make payments;

(e) An itemized account of all other specific charges, costs, or fees that the borrower, grantor, or any guarantor is or may be obliged to pay to reinstate the deed of trust before the recording of the notice of sale;

(f) A statement showing the total of (d) and (e) of this subsection, designated clearly and conspicuously as the amount necessary to reinstate the note and deed of trust before the recording of the notice of sale;

(g) A statement that failure to cure the alleged default within thirty days of the date of mailing of the notice, or if personally served, within thirty days of the date of personal service thereof, may lead to recordation, transmittal, and publication of a notice of sale, and that the property described in (a) of this subsection may be sold at public auction at a date no less than one hundred twenty days in the future, or no less than one hundred fifty days in the future if the borrower received a letter under RCW 61.24.031;

(h) A statement that the effect of the recordation, transmittal, and publication of a notice of sale will be to (i) increase the costs and fees and (ii) publicize the default and advertise the grantor's property for sale;

(i) A statement that the effect of the sale of the grantor's property by the trustee will be to deprive the grantor of all their interest in the property described in (a) of this subsection;

(j) A statement that the borrower, grantor, and any guarantor has recourse to the courts pursuant to RCW 61.24.130 to contest the alleged default on any proper ground;

(k) In the event the property secured by the deed of trust is owner‑occupied residential real property, a statement, prominently set out at the beginning of the notice, which shall state as follows:

**"THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR**

**LOSING YOUR HOME.**

You may be eligible for mediation in front of a neutral third party to help save your home.

**CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW** to assess your situation and refer you to mediation if you might benefit. Mediation **MUST** be requested between the time you receive the Notice of Default and no later than twenty days after the Notice of Trustee Sale is recorded.

**DO NOT DELAY.** If you do nothing, a notice of sale may be issued as soon as 30 days from the date of this notice of default. The notice of sale will provide a minimum of 120 days' notice of the date of the actual foreclosure sale.

**BE CAREFUL** of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.

**REFER TO THE CONTACTS BELOW** for sources of assistance.

**SEEKING ASSISTANCE**

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: . . . . . . . Web site: . . . . . .

The United States Department of Housing and Urban Development

Telephone: . . . . . . . Web site: . . . . . . .

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: . . . . . . . Web site: . . . . . ."

The beneficiary or trustee shall obtain the toll‑free numbers and web site information from the department for inclusion in the notice; and

(l) In the event the property secured by the deed of trust is residential real property, the name and address of the owner of any promissory notes or other obligations secured by the deed of trust and the name, address, and telephone number of a party acting as a servicer of the obligations secured by the deed of trust; and

(9) That, for owner-occupied residential real property, before the notice of the trustee's sale is recorded, transmitted, or served, the beneficiary has complied with RCW 61.24.031 and, if applicable, RCW 61.24.163.

**--- END ---**