

1 Below is a transcribed portion of a TVW video segment.
2 Participants identified in this video segment are: Stu
3 Halsan, Denny Eliason, Senator Benton, Holly Chisa, and
4 Mr. Chairman of the committee.

5 TRANSCRIPT OF TVW ONLINE VIDEO SEGMENT

6 STU HALSAN: Thank you, Mr. Chair.

7 Stu Halsan here now representing the Washington Land
8 Title Association. And I just wanted to bring up a few
9 things in response to what we just heard.

10 This is not about foreclosures of deeds of trust. The
11 talk about mediation and foreclosure counseling and all of
12 that type of thing is totally irrelevant to this.

13 This is not about anybody losing their home, this is
14 about somebody wanting to sell their home. They want to
15 get the documentation so that they can sell it. And this
16 bill merely sets up a default system of notices and
17 filings that can be used when the beneficiary lender and
18 trustee don't do what they're supposed to do.

19 You know, a lot of the stuff that you just heard -- and
20 I'm -- Denny may not like this, but we're dealing in the
21 title industry with the environment in which we're in.

22 One of your last witnesses talked about securitization.
23 Yeah, that -- that probably is the problem that really is
24 concerned with them; because Wall Street secured ties to a
25 lot of these mortgages, packaged them up, they're owned

1 somewhere off here, and the collections are run by a
2 servicing agent here.

3 You know we've never required and this law doesn't
4 require an original note to be done in order to do that.
5 We're, we're -- the current statute doesn't require that.
6 We're releasing collateral, we're not releasing the note
7 in regards to this.

8 You're not gonna to be able to change what Wall Street
9 did with those securitizations of all these things. So
10 we're dealing with the situation on the ground how we're
11 trying to sell your houses. And if you start requiring
12 the original note that has been gone through I don't know
13 how many hands -- but the collection is being done by a
14 servicing company that we know -- if you require that
15 original note, none of you will ever be able to sell your
16 property. You just won't. And that's my weak
17 understanding of this thing. But this bill has nothing to
18 do with the problems that really seem to have these
19 previous witnesses worked up. We're just trying to get
20 these transactions through.

21 And I would remind the committee members, we're title
22 insurance companies doing closings. We do this closing
23 and you sell your property, we're ensuring the person
24 buying it from anything that might be a problem there.
25 And this bill only releases the lien. If there are any

1 lawsuits or whatever that might come of transactions that
2 they talk about or fraud, those can still be used. It's
3 just the property gets to be able to be transferred. All
4 those other -- all those other potential suits out there
5 still exist, if in fact they're there.

6 So that's my, you know, weak, perhaps, explanation in
7 response what we've just heard. And I'll defer to Denny
8 and Holly.

9 DENNY ELIASON: Good afternoon Mr. Chairman, honorable
10 members of the committee. For the record my name is Denny
11 Eliason. I'm here on behalf of the Washington Bankers
12 Association. We are a trade association that represents
13 95% plus of all the banks that do business in the state of
14 Washington from the smallest of community banks to the
15 largest of national banks. Thank you for the opportunity
16 to testify regarding this legislation.

17 I want to agree with Stu from the outset that a number
18 of the objections you have heard to this bill relate to
19 the foreclosure process. And I would remind the committee
20 that over the last almost three years now there have been
21 two major pieces of foreclosure legislation that have
22 covered many of those issues. Both of those legislation
23 were the product of over a hundred hours of negotiation
24 with interested parties from all sides, including very
25 reputable consumer groups who sat at every negotiation of

1 those two bills.

2 I respect very much that there are still objections to
3 the process, but the process itself as it exists in the
4 state of Washington has been fully vetted. And I would
5 submit fully addressed by nation-leading legislation as it
6 relates to foreclosure.

7 As it relates to this bill, last year the title
8 companies came to us with this legislation and the
9 assertion that in the tens of thousands of home sales that
10 are closed every year there are occasions where financial
11 institutions were not reconveying as they perceived we
12 should be. We thoroughly reviewed the issue at the time.
13 We did not object to the bill last year. When they
14 brought it forth over the interim we reviewed the
15 legislation again and did not object in any way to the
16 legislation that's before you. It's aimed at fixing a
17 scenario where a bank is not properly reconveying once
18 they have received payment.

19 Again, we reviewed the legislation, we provided input
20 last year, we reviewed the legislation and agreed to it
21 again this year, and that's why it's before you and
22 candidly that's why it had 95 signatures coming out of the
23 House.

24 This legislation has been thoughtfully and fully vetted
25 by reputable consumer groups, by the title companies, and

1 by financial institutions. The bill as it sits before you
2 is, we believe, a thoughtful protection for borrowers who
3 have paid off their -- rightfully paid off their loan and
4 now want them reconveyed. And that's why we came to the
5 table and agreed to it. It does establish additional
6 burdens on banks; but, again, in those rare circumstances
7 where reconveyance was not happening we were more than
8 willing to agree, if you will, to the legislation before
9 you.

10 With that I'd be happy to answer any questions.

11 MR. CHAIRMAN: Senator Benton?

12 SENATOR BENTON: Thank you, Denny.

13 It's the way I understood it when we first started, I
14 think, but --

15 In the legislation it talks -- in Line 3, Page 2 -- If
16 the trustee of record is unable or unwilling to -- unable
17 or unwilling to reconvey the deed of trust within 120 days
18 following payment . . .

19 I have a problem giving somebody 120 days to reconvey
20 the property after they have already been paid. Most
21 escrows are -- well, 60 days, some can go 30, some can go
22 90 if they're complicated. Business transactions for
23 business enterprises they can go 120, but that's pretty
24 rare.

25 Once payment has already been made reconveyance should

1 occur very quickly, certainly within 30 days if not within
2 two weeks, I would think. 120 days is, I just think, an
3 exorbitant amount of time to provide a reconveyance deed.
4 So I'd like to tighten that up. Because I think once a
5 bank's been paid, they should reconvey the title. End of
6 story, right?

7 STU HALSAN: Perhaps if I could respond, Senator
8 Benton?

9 This bill is really a delicate balance. To get
10 everybody on the same frame we just want the problem to be
11 solved. We don't want to get to a situation where the
12 banks are opposing it because we've given them the rush,
13 making them do something faster than -- I'm sure some
14 banks might have a bureaucracy but, you know -- this --

15 The time frames, yeah, it appears that they're long;
16 however, it is that delicate balance. We are satisfied
17 with this. We will get rid of some of those things like
18 the escrow association mentioned that have been sitting
19 around for six years, and we'll get rid of it in a timely
20 manner. But if you start to tighten it up, you're gonna
21 be then making it so that not everybody is -- that some
22 people may feel they're being taken by surprise and
23 everybody's interest isn't protected. So it's a long
24 process, but it gets the job done.

25 SENATOR BENTON: But 120 days is better than six years

1 is what you're telling me?

2 DENNY ELIASON: Absolutely.

3 HOLLY CHISA: Good afternoon, Mr. Sherman, members of
4 the committee.

5 For the record I'm Holly Chisa. I'm here on behalf of
6 the United Trustees Association, and we also do support
7 this bill.

8 We actually had a conference call on this piece of
9 legislation earlier in the week where I asked our board:
10 How do you feel? Are you okay with this? And they've
11 seen these laws in other states including notable
12 California, Nevada where we've had -- they have had severe
13 foreclosure issues.

14 And for those circumstances where say you had a -- your
15 mortgage was held by a financial institution which was
16 closed on a Friday -- which I was one of those -- it can
17 be difficult to resolve out those legacies. And we are
18 coming off the tail of an extraordinary number of years
19 where an extraordinary number of financial institutions
20 were closed and shuffled and we need a way to bring
21 closure to the homeowner, which is the primary intent of
22 this legislation is to bring closure. It may take 120
23 days to get there, but at least it brings finality to a
24 scenario as opposed to completely ending the moving of
25 this bill, killing the bill. How does that benefit the

1 homeowner? How does that benefit the homeowner with the
2 six years pending who doesn't get his home resolved and
3 get his payment recognized?

4 We'd rather see this bill move forward and resolve out
5 this particular piece of issue. And for those of us who
6 operate in other states we have not had problems with them
7 -- with this proposal.

8 MR. CHAIRMAN: Does anybody have any questions?

9 SENATOR BENTON: Nope.

10 MR. CHAIRMAN: Well, it's these bills that give me
11 great amusement. I know that TVW has the camera on us,
12 but -- and I direct these comments both to con and the pro
13 side when I see your reactions when certain people testify
14 on a bill. I wish I could record it. It's very humorous.
15 But thank you so much for both sides, for testifying on
16 this bill. Thank you, thank you very much.

17 [**end of transcribed portion**]

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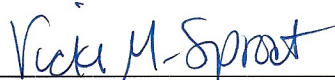
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A F F I D A V I T

I hereby certify that the foregoing transcribed TVW video segment, located at <http://www.tvw.org/index.php?option=com-tvwplayer&eventID=2013031076#start=4699>, was transcribed to the best of my ability.

The transcription was provided at the request of Shelley Erickson.

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