

## Arizona Borrower's Bill of Rights

The foreclosure crisis has devastated Arizona families, destabilized our economy and destroyed neighborhoods. The abusive foreclosure practices by lenders/servicers are unfair to consumers and we must take immediate action to rein in the abuses and create transparency and balance to the mortgage markets. Borrowers should have rights that can be enforced.

The lender/servicer will:

- Identify a single point of contact who will be responsible for processing a borrower's request for a modification and will be the consumer's consistent and primary point of contact.
- Provide written confirmation of the borrower's submission of the first document in support of a request for a modification within 10 business days of receipt. The information will include basic information about the loan modification process and include a clear date stamp identifying receipt of the documents.
- Suspend foreclosure proceedings during the loan modification application process and eliminate the dual track until either (a) the borrower has been evaluated for a HAMP and all available proprietary modification programs and determined to be ineligible; or (b) reasonable solicitation efforts (as defined in HAMP guidelines) have failed.
- Provide written notice of any required documents that are missing from the borrower's initial written submission within 30 days of receiving the submission. The notice will list all the specific documents that are missing and describe any deficiencies in the documents included in the borrower's initial submission. Additional documents that may be necessary will be requested in writing within 10 days of identifying the need for the documents.
- Make a decision on a modification request within 30 days following the borrower's initial request for a modification, and provide a "yes" or "no" to the borrower.
- Provide for a "second look" to loan modification requests to evaluate borrower for a modification where borrower has met basic HAMP eligibility criteria but denied a HAMP modification. Lender shall make decisions within 30 days following the date borrowers were denied HAMP modifications.
- Provide written communication to the borrower if a modification is denied that describes legitimate reason(s) for the denial; explains that foreclosure proceedings may be resumed; lays out any additional loss mitigation options; and lays out a process by which borrowers can request a review of the denial.

In addition loan servicers have a duty of good faith and fair dealing in its communications and transactions with each borrower and shall have:

- a) adequate and trained staff;
- b) educate borrowers in or at risk of default about loss mitigation assistance programs and provide a list of government approved housing counseling non-profits; and
- c) provide information on alternative loss mitigation options including short sale, deed-in-lieu or forbearance if the borrower requests such an alternative or does not qualify for a loan modification.