

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7046

BILL NUMBER: HB 1308

NOTE PREPARED: Jan 10, 2013

BILL AMENDED:

SUBJECT: Mortgage Foreclosure Counseling and Education Fee.

FIRST AUTHOR: Rep. Burton

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires a clerk of a court who must collect a civil costs fee from a party filing a civil action to also collect a \$50 mortgage foreclosure counseling and education fee from a party filing a civil action to foreclose a mortgage. It requires that mortgage foreclosure counseling and education fees collected by a clerk must be deposited in the Home Ownership Education Account (HOEA).

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary:* Under current law, the \$50 foreclosure counseling and education fee ceased to exist on January 1, 2013. If the fee is established again upon passage or by May 1, 2013, the fee would generate approximately \$270,000 during the final two months of FY 2013. The fee is estimated to generate approximately \$1.5 to \$1.6 M in FY 2014. The revenue would be placed in the Home Ownership Education Account of the state General Fund.

Background Information: The fee generated approximately \$1.6 M in revenue during FY 2011. Revenue in the Home Ownership Education Account is used to support home ownership education programs, mortgage foreclosure counseling/education, and programs to facilitate settlement conferences in residential foreclosure actions. The account is administered by the Indiana Housing and Community Development Authority.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Housing and Community Development Authority.

Local Agencies Affected:

Information Sources: Auditor's Database Account Trial Balance, *Indiana Judicial Services Reports* (2009-2011).

Fiscal Analyst: Chris Baker, 317-232-9851.