

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7046

BILL NUMBER: HB 1308

NOTE PREPARED: Feb 7, 2013

BILL AMENDED: Feb 5, 2013

SUBJECT: Mortgage Foreclosure Counseling and Education Fee.

FIRST AUTHOR: Rep. Burton

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

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: (Revised) *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 M to \$1.6 M in FY 2014. The revenue would be placed in the Home Ownership Education Account of the state General Fund. The fee established by the bill would expire on January 1, 2015.

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).

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