



DEBRA BOWEN | SECRETARY OF STATE
STATE OF CALIFORNIA | ELECTIONS

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October 15, 2010

County Clerk/Registrar of Voters (CC/ROV) Memorandum #10299

TO: All County Clerks/Registrars of Voters and Proponent

FROM:


Katherine Montgomery
Initiative Program Manager

RE: Initiative: 1474, Related to Mortgage Loans

Pursuant to Elections Code section 336, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed initiative measure entitled:

**REQUIRES LENDERS OR OTHER
MORTGAGE HOLDERS, UPON BORROWER'S
REQUEST, TO CONVERT ADJUSTABLE-RATE LOAN
TO THIRTY-YEAR FIXED RATE LOAN AND REDUCE LOAN PRINCIPAL
TO PROPERTY'S CURRENT FAIR MARKET VALUE. INITIATIVE STATUTE.**

The proponent of the above-named measure is:

Barbara Moseby

marvinmoseby@msn.com

#1474

**REQUIRES LENDERS OR OTHER
MORTGAGE HOLDERS, UPON BORROWER'S
REQUEST, TO CONVERT ADJUSTABLE-RATE LOAN
TO THIRTY-YEAR FIXED RATE LOAN AND REDUCE LOAN PRINCIPAL
TO PROPERTY'S CURRENT FAIR MARKET VALUE. INITIATIVE STATUTE.**

CIRCULATING AND FILING SCHEDULE

1. Minimum number of signatures required: 433,971
California Constitution, Article II, Section 8(b)
2. Official Summary Date: Thursday, 10/14/10
3. Petitions Sections:
 - a. First day Proponent can circulate Sections for
signatures (Elec. Code § 336)..... Thursday, 10/14/10
 - b. Last day Proponent can circulate and file with the county.
All sections are to be filed at the same time within each
county. (Elec. Codes §§ 336, 9030(a))..... Monday, 03/14/11*
 - c. Last day for county to determine total number of
signatures affixed to petitions and to transmit total
to the Secretary of State (Elec. Code § 9030(b))..... Thursday, 03/24/11

(If the Proponent files the petition with the county on a date prior to
03/14/11, the county has eight working days from the filing of the petition
to determine the total number of signatures affixed to the petition and to
transmit the total to the Secretary of State) (Elec. Code § 9030(b)).
 - d. Secretary of State determines whether the total number
of signatures filed with all county clerks/registrars of
voters meets the minimum number of required signatures
and notifies the counties..... Saturday, 04/02/11**
 - e. Last day for county to determine total number of qualified
voters who signed the petition, and to transmit certificate
with a blank copy of the petition to the Secretary of State
(Elec. Code § 9030(d)(e))..... Friday, 05/13/11

* Date adjusted for official deadline, which falls on a weekend/holiday (Elec. Code § 15).

** Date varies based on the date of county receipt.

INITIATIVE #1474

Circulating and Filing Schedule continued:

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 04/02/11, the last day is no later than the thirtieth working day after the county's receipt of notification). (Elec. Code § 9030(d)(e)).

- f. If the signature count is more than 477,369 or less than 412,273 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 412,273 and 477,369 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures (EC §9030(f)(g); 9031(a)) Monday, 05/23/11*

- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State. (Elec. Code § 9031(b)(c))..... Wednesday, 07/06/11

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 05/23/11, the last day is no later than the thirtieth working day after the county's receipt of notification.) (Elec. Code § 9031(b)(c).)

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient (Elec. Code §§ 9031(d), 9033) Sunday, 07/10/11*

*Date varies based on the date of county receipt.

IMPORTANT POINTS

- California law prohibits the use of signatures, names and addresses gathered on initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fundraising or requests for support. Any such misuses constitutes a crime under California law. Elections Code section 18650; *Bilofsky v. Deukmejian* (1981) 124 Cal.App.3d 825, 177 Cal.Rptr. 621; 63 Ops.Cal.Atty.Gen. 37 (1980).
- Please refer to Elections Code sections 100, 101, 104, 9001, 9008, 9009, 9021, and 9022 for appropriate format and type consideration in printing, typing and otherwise preparing your initiative petition for circulation and signatures. Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- Your attention is directed to the campaign disclosure requirements of the **Political Reform Act of 1974**, Government Code section 81000 et seq.
- When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- When filing the petition with the county elections official, please provide a blank petition for elections official use.

EDMUND G. BROWN JR.
Attorney General

State of California
DEPARTMENT OF JUSTICE



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October 14, 2010

Honorable Debra Bowen
Secretary of State of the State of California
State of California Elections
1500 11th Street, 5th Floor
Sacramento, CA 95814

Attention: Ms. Katherine Montgomery
Associate Elections Analyst

Dear Secretary Bowen:

Pursuant to Elections Code, section 9004, you are hereby notified that on this day we sent our title and summary for the following proposed initiative to the proponent:

- 10-0021, RE: Mortgage loans secured by real property

A copy of that title and summary and text of the proposed initiative is enclosed. Thank you.

Sincerely,

Handwritten signature of Krystal M. Paris in cursive.

KRYSTAL M. PARIS
Initiative Coordinator

For EDMUND G. BROWN JR.
Attorney General

Proponent:
Barbara Moseby
marvinmoseby@msn.com

FILED
In the office of the Secretary of State
of the State of California

OCT 15 2010

Debra Bowen, Secretary of State
By Deputy Secretary of State

October 14, 2010
Initiative 10-0021

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

REQUIRES LENDERS OR OTHER MORTGAGE HOLDERS, UPON BORROWER'S REQUEST, TO CONVERT ADJUSTABLE-RATE LOAN TO THIRTY-YEAR FIXED RATE LOAN AND REDUCE LOAN PRINCIPAL TO PROPERTY'S CURRENT FAIR MARKET VALUE. INITIATIVE STATUTE. Limits new loan's value to sum of the

property's current market value, plus amount of certain cash distributions under the first mortgage. Extinguishes borrower's obligations on prior loans secured by the property. Prohibits reporting loan conversion to consumer credit agencies. Requires lenders to consent to short sale of nonowner-occupied property, upon borrower's request. Applies retroactively. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **The fiscal effect of this measure on state and local government is probably insignificant.** (10-0021.)

I Barbara Moseby herby request for " Title and Summary" of proposed
Initiative draft.

10-0021

RECEIVED

AUG 23 2010

Date: August 23, 2010

Signed

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

marvinmoseby@msn.com

5/27/10
RN 1017361

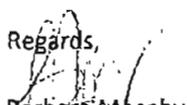
Proposed Initiative Ballot:

This is a proposed initiative to ask that a law be passed allowing all owners of residential properties legal right in maintaining their properties at the current market value! At the present time many home owners are upside down in mortgages which have no value and the market is constantly declining. Instead of forcing present owners to short sale, deed in lieu of foreclosure or flat out foreclosure, this initiative will allow all qualified home owners the opportunity in maintaining their homes at reduced market value with payments that will afford them the advantage of maintaining their American Dream! Of course this would include a new mortgage that is a 30 year fixed rate with taxes and insurance at present rates!

In regards to any monies or equity that had been taken out on the property, it is suggested that once the home is brought down to present market value any excess monies that was borrowed against the original note the owner is still liable for. In short, this means that monies are to be added to the new mortgage amount in which may cause the owners debt to go up more but at any rate it would not exceed the overwhelming upside down position the owner is currently in! For example, if a home was purchased at 300k and refinanced taking an additional 20k out on the property, it is asked that if the same home is now valued at 210k, allow the value to be reduced at current market value adding the additional 20k that was borrowed from the original note into the new mortgage. This would now have the home owner in a mortgage amount of 230k! In any case this would still reduce the prior balance substantially and allow the owner the privilege in affording the home.

Attached are two recent letters I had written also addressing my concerns on this issue! I have included them in hopes that you would be able to correlate some of the substantial key points from them with what is mentioned here. I would like you to also know that I sincerely value your time and efforts in assisting me with properly drafting this vital information.

Regards,


Barbara Moseby

10-0021

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

12-point
Boldface
Type

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

(Here set forth the title and summary prepared by the Attorney General. This title and summary must also be printed across the top of each page of the petition whereon signatures are to appear.)

TO THE HONORABLE SECRETARY OF STATE OF CALIFORNIA

Type: Roman
Boldface not
smaller than
12-point

We, the undersigned, registered, qualified voters of California, residents of _____ County (or City and County), hereby propose amendments to the Civil Code, relating to mandatory loan modification, and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election held prior to that general election or otherwise provided by law. The proposed amendments to the Civil Code (full title and text of measure) read as follows:

SECTION 1. Section 2923.3 is added to the Civil Code, to read:

2923.3. (a) Notwithstanding any other law, all of the following shall apply to a first mortgage or deed of trust secured by real property located in this state that is either a negative amortization mortgage loan or an option adjustable-rate mortgage loan:

(1) If at any time the principal owed under a first mortgage or deed of trust secured by owner-occupied residential real property is more than the fair market value of the property, the mortgagee or trustee shall, upon request of the mortgagor or trustor, convert the first mortgage or deed of trust to a new 30-year fixed rate mortgage or deed of trust in which the total amount owed, excluding interest at the prevailing market rate, taxes, and insurance, does not exceed the total of both of the following:

(A) The fair market value of the property.

(B) The total amount that is secured by the property under the first mortgage or deed of trust, and that was distributed to the mortgagor or trustor in the form of cash or the cash equivalent, excluding the total amount used to purchase or improve the property.

(2) If at any time the principal owed under a first mortgage or deed of trust secured by non-owner-occupied residential real property is more than the fair market value of the property, the mortgagee or trustee shall, upon request of the mortgagor or trustor, do one of the following:

(A) Convert the first mortgage or deed of trust to a 30-year fixed rate mortgage or deed of trust in which the total amount owed, excluding interest at the prevailing market rate, taxes, and insurance, does not exceed the total of both of the following:

(i) The fair market value of the property.

(ii) The total amount that is secured by the property under the first mortgage or deed of trust, and that was distributed to the mortgagor or trustor in the form of cash or the cash equivalent, excluding the total amount used to purchase or improve the property.

(B) Notwithstanding subparagraph (A), if the mortgagor or trustor offers to satisfy the obligation by means of a short sale, the mortgagee or trustee shall consent to the short sale. If a short sale is conducted and completed pursuant to this paragraph, the remaining balance on the loan shall be extinguished.

(b) (1) If the first mortgage or deed of trust is converted to a 30-year fixed rate mortgage or deed of trust pursuant to subdivision (a), all other mortgages or deeds of trust secured by that real property shall be extinguished and there shall be no further liability or other form of obligation of any kind upon those mortgages or deeds of trust that are extinguished pursuant to this subdivision.

(2) If the first mortgage or deed of trust is satisfied by means of a short sale pursuant to subparagraph (B) of paragraph (2) of subdivision (a) all other mortgages or deeds of trust secured by that property shall be extinguished and there shall be no further liability or other form of obligation of any kind upon those mortgages or deeds of trust that are extinguished pursuant to this subdivision.

(c) Any modification made or other action taken pursuant to this section shall not be reported to any consumer credit reporting agency and shall not form the basis of a negative consumer credit report regarding the mortgagor or trustor.

(d) For purposes of this section:

(1) A negative amortization loan is an adjustable-rate loan in which the required payments do not cover all the interest owed, resulting in an increasing principal.

(2) An option adjustable-rate mortgage loan, commonly known as a "pick-a-pay" loan, means an adjustable-rate loan that initially offers the borrower several payment options, which may include a specified minimum payment, an interest-only payment, or a fully amortizing payment.

(3) A short sale is a sale of real property that has been negotiated by the mortgagor or trustor with the approval of the mortgagee or trustee in which the lender receives less than the balance owed on the loan.

(e) This section applies to contracts entered into prior to, on, or after the effective date of this section.

(f) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.