



## Media Advisory

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### FOR IMMEDIATE RELEASE

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## **Foreclosure bill will hurt customers, shrink credit availability, banks say**

### *Bill comes when Colorado has sixth-lowest foreclosure rate*

DENVER – Representative Beth McCann’s foreclosure bill, HB13-1249, introduced today is harmful to borrowers and could chill the housing market, jeopardizing jobs, Colorado bankers said today.

The bill includes a number of troubling aspects that could severely restrict credit availability in Colorado, driving up the cost for current and future homebuyers.

Those include: requiring lenders to retroactively produce never before required years-old documents – some impossible to obtain; moving more of the foreclosure process to the purview of the judicial system, gumming up already bogged-down Colorado courts; and allowing interested persons, whether or not they are a direct party to a foreclosure, to challenge foreclosure proceedings and halt the process.

If passed, the bill would allow borrowers in foreclosure to stay in properties longer without paying HOA dues, property taxes and without making payments.

The bill is so focused on attempting to help the minute portion of borrowers who dispute the foreclosure process – 17/100ths of 1 percent of homeowners– that it does so at the expense of the 98 percent of homeowners who do pay their mortgages, bankers say.

“This bill could turn the foreclosure process in Colorado upside down, and make Colorado much less appealing to secondary-market buyers,” said Jenifer Waller, senior vice president of the Colorado Bankers Association. “Put simply, that means fewer home loans would be available for

Colorado homebuyers, since the secondary market is involved in 80 percent of mortgages in the state.”

Having fewer lenders and less competition does not help borrowers, she added.

The bill comes when Colorado has the sixth lowest delinquency rate on mortgages in the nation and is showing signs that the housing market is recovering. Foreclosure rates are at levels not seen since 2006.

“At a time when the Legislature is doing everything it can to send the message that Colorado is open for business, this bill does the exact opposite by imposing costly, unproductive steps,” Waller said.

Colorado is the model state for its foreclosure process – Colorado is the only state that has an independent, neutral, elected public official, a “public trustee,” to oversee the process.

“This bill attempts to solve an already disappearing problem,” said Don Childears, president and CEO of the Colorado Bankers Association. “This bill is lethal to the housing recovery Colorado is experiencing.”

Waller added, “I don’t see this bill as helping consumers, I see it as harming future home buyers.”

#### **About the Colorado Bankers Association**

*The Colorado Bankers Association represents more than 90 percent of the assets, offices and employees in the 160 regulated, traditional banks in Colorado, which have \$100 billion in assets, 1,700 branches, and 20,000 proud professionals. CBA advocates for Colorado banks of all sizes and charter types before governmental bodies and the public to continually promote and improve the banking industry amid challenge and a changing environment. CBA proactively seeks to increase benefits for bank customers, improve value for shareholders, and grow a stronger business climate for banks and our local economies. CBA supplements its effective advocacy with superior industry-specific information and education for bankers, and various high-quality products and services. CBA focuses on Building Better Banks and Helping Coloradans Realize Dreams.*

For more information, go to, [www.coloradobankers.org](http://www.coloradobankers.org); [www.smallbizlending.org](http://www.smallbizlending.org) and [www.financialinfo.org](http://www.financialinfo.org).