

Realtors in Nevada want Legislature to clarify 'robosigning' law

By Eli Segall, Las Vegas Sun

With the Nevada Legislature back in session, a real estate lobbying group has a slate of issues it wants lawmakers to consider.

The most important is whether to change the state's controversial "robosigning" law. The Nevada Association of Realtors is pushing for changes to the law while at the same time trying to downplay its impact on business.



AB284 forces banks to provide a signed affidavit saying they have personal knowledge of a property's document history before they can foreclose on a house.

Real estate brokers have blamed the legislation for reducing the inventory of homes for sale.

One in every 37 housing units in Nevada received a foreclosure filing last year, down almost 57 percent from 2011.

While AB284 tops the Association of Realtors' agenda for the legislative session, association officials recently told Vegas Inc. that the law has not been nearly as destructive as many people think. They said foreclosures are falling for a number of reasons, including the improved economy and last spring's \$25 billion National Mortgage Settlement between the nation's five largest mortgage service companies, a coalition of federal agencies and 49 state attorneys general.

Under the settlement, which sought to address lending and foreclosure abuses, the banks must offer at least \$17 billion in homeowner relief and \$3 billion to refinance underwater borrowers. As a result, the banks now have little incentive to seize homes because they get credit under the settlement for short sales and principal reductions, not foreclosures, association members said.

Also on the agenda:

The association, which has 15,000 members statewide, wants Carson City to adopt criteria this session to help define whether a house is vacant or abandoned.

It cautioned against adopting a homeowners' bill of rights, saying a balance needs to be struck between consumer protection and banks' ability to lend money.

And it wants lawmakers to more closely examine how real estate lawyers handle property transactions. According to members, many law firms have overstepped state statutes by "pushing clients into loan modifications or bankruptcy when, in reality, a short sale is the best step for the consumer."

Short sales soared to record levels last year and now account for nearly half of all sales in the region. The association last July released its "Face of Foreclosure" survey that showed that Nevadans are divided on whether it's OK to willingly default on a mortgage loan.