

AB 2016 Passes – Another Step Toward Association Solvency

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The Governor signed Assembly Bill 2016 (AB 2016), amending Civil Code Section 2924b to provide greater efficiency in recording blanket requests for notification of foreclosure. The new legislation will go into effect on January 1, 2011.

Existing law allows common interest developments to record requests for notification of foreclosure. AB 2016 takes the next step by allowing recording of a single document (*i.e.*, notification request) against multiple lots/units. As a practical matter, this means associations would receive notice of changes in ownership more quickly. (As a reminder, Civil Code Section 2924b already enables an association to record a request that any mortgagee, trustee, or other person authorized to record a notice of default for any separate interest property governed by the association, mail to the association a copy of the trustee's deed upon the sale of the separate interest property.)

The request by the association must be recorded before a notice of default is filed.