

Florida HB 213: Will the Florida Fair Foreclosure Act Become Law and Will It Do More Harm Than Good?

February 23, 2012 by [Rosa Schechter](#)

Right now, the probability of the **Florida Fair Foreclosure Act** becoming effective state law increased as HB 213 as amended was [adopted without objection late yesterday by the Florida House of Representative's Judiciary Committee](#). Meanwhile, its [version in the Florida Senate, SB 1890, just passed the Senate Judiciary Committee by a majority vote](#).

It's looking like the Florida Fair Foreclosure Act will be up for a full vote very soon.

Meanwhile, [a big report out of California](#) this week is estimating that 84% of the nation's foreclosure filings are illegal due to legal improprieties of some sort - robo-signing, etc. and that almost 100% of these foreclosures contain irregularities. The [basis for this statistic was an audit performed on 382 foreclosures in the San Francisco area](#) as commissioned by the San Francisco Assessor-Recorder, Phil Ting.

[Read the California report in its entirety here.](#)

Already, opinions are being voiced that this report highlights the reasons why the Florida Fair Foreclosure Act should not become law. The [Sarasota Herald Tribune](#), for example, has gone on record as being against its passage.

Meanwhile, questions remain. The State of Florida has a huge glut of foreclosures that are in limbo and this does no good for the communities these properties sit in, nor for the lenders left holding the bag on an unpaid loan. It's taking around two years time at this point for a Florida bank to foreclose on the home as collateral on that unpaid mortgage - and then, there's another significant amount of time for that bank to bear the costs of that property until it can move the home off its books.

No wonder [Federal Reserve Chairman Ben Bernanke is suggesting that banks start being landlords and renting out these homes](#).

Florida's judicial system was not prepared for this massive wave of defaulting mortgages and the resulting foreclosure filings. [The courts are bottlenecked](#).

One way to move things along, and it's not the only answer - this is no silver bullet - is the proposed HB213, which allows a streamlined foreclosure process in certain situations as well as doing other things like limiting the number of years that a bank can seek a deficiency judgment to one year.

There are no magic potions to fix the huge Florida housing crisis and its impact on the Florida economy.

This proposal may not be perfect, but it's one way to get our state back on track. Because right now, the reality is that Florida's home mortgage and residential real estate economy is one big train wreck.