

Sponsor Statement

SB 18 - Property Foreclosures and Executions

Alaska's statutes on the real property, non judicial foreclosure process are antiquated, sometimes ambiguous and unclear, and therefore, prone to litigation. Senate Bill 18 proposes to clarify the present statutory language, simplify and modernize the foreclosure process. The suggested changes benefit lenders, borrowers and title insurers by bringing clarity, certainty and modernity to the process.

SB 18 would improve many aspects of Title 34 that govern the foreclosure process. Some of the areas of change are:

- Clarification on how proceeds from a foreclosure auction are disbursed
- Assures that foreclosure trustees are fiscally responsible by imposing reasonable bond requirements
- Creates deadlines to deter chilled bidding and unnecessary delays
- Allows trustees to nullify sales when mistakes are made that negatively affect the integrity of the sale
- Sets up procedures to follow involving a deceased borrower
- Creates common-sense rules to govern time and methods for posting the foreclosure properties
- Creates internet publication procedures to help ensure that interested bidders learn of foreclosure auctions
- Defines when one's rights are terminated in the foreclosure process
- Allows acceptance of foreclosure auction bids via email, internet and phone for greater accessibility

Passage of SB 18 would streamline and simplify the foreclosure language in Alaska statutes and provide for a more open, accessible and fair auction process that will benefit borrowers, lenders and title insurers, as well as reduce much unnecessary litigation.