SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1842 (Harabedian) - California Disaster-related Mortgage Relief Act

Version: June 22, 2026
Urgency: No
Hearing Date: August 13, 2026

Policy Vote: B. & F.I. 7 - 0, JUD. 13 - 0
Mandate: Yes
Consultant: Janelle Miyashiro

Bill Summary: AB 1842 permits a borrower of a loan secured by residential real property of four or fewer residential units to request and extend mortgage forbearance for up to 12 months of total forbearance, as specified, when the borrower's real property has become uninhabitable as a direct result of a federally-declared disaster, as specified.

*********** ANALYSIS ADDENDUM – SUSPENSE FILE ***********
The following information is revised to reflect amendments adopted by the committee on August 13, 2026

Fiscal Impact:

- The Department of Financial Protection and Innovation (DFPI) anticipates costs associated with the bill to be absorbable. However, DFPI notes that actual workload impacts would only materialize following a federally declared major disaster or emergency.

- The Department of Real Estate (DRE) estimates costs of $69,000 in the first year and $67,000 in the second year to promulgate regulations (Real Estate Fund). DRE also anticipates a potentially significant, but unquantifiable, enforcement workload in the event of a future disaster.

- Unknown court cost pressures, ranging from minor to significant (General Fund and special funds), to the extent the Attorney General (AG) brings civil actions to enforce the bill's provisions. Actual costs will depend on the number of actions filed and the specific factors and duration of each case. For context, an eight-hour court day costs approximately $8,000 in staff workload. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. While the courts are not funded on a workload basis, increased caseloads could delay court services and put pressure on the General Fund to support additional resources and backfill trial court operations.

- The Department of Justice (DOJ) reports that it does not anticipate a significant fiscal impact; this assessment suggests the department may not actively pursue enforcement using the authority prescribed in the bill or may absorb enforcement costs within its existing resources.

Author Amendments: Change the name of the act to the California Mortgage Relief Act.

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