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

**AB 1847 (Harabedian) - Mortgage forbearance: state of emergency: wildfire**

**Version:** June 22, 2026
**Urgency:** No
**Hearing Date:** August 3, 2026
**Policy Vote:** B. & F.I. 5 - 0, JUD. 11 - 0
**Mandate:** Yes
**Consultant:** Janelle Miyashiro

**Bill Summary:** AB 1847 extends to January 7, 2029, the period by which a homeowner may request forbearance from their mortgage servicer for hardship due to the 2025 Los Angeles wildfires, and increases from 12 to 24 months the maximum allowable forbearance period.

**Fiscal Impact:** The Department of Financial Protection and Innovation (DFPI) and the Department of Real Estate (DRE) anticipate costs associated with the bill to be absorbable (Financial Protection Fund and Real Estate Fund, respectively). However, to the extent there is a spike in cases related to forbearance extensions, there may be a corresponding but unquantifiable enforcement workload impact on both the DFPI and DRE programs.

**Background:** Mortgage forbearance refers to a temporary pause in monthly payments, offered to borrowers who face financial challenges. These payments are not forgiven, and the borrower is required to repay the scheduled payments at a later date, often with interest accruing over the time that the payments are deferred. As recognized by the federal Consumer Financial Protection Bureau: "Forbearance is complicated. There isn't a 'one size fits all' answer, because the options depend on many factors." Forbearance is not a giveaway to borrowers; it is a tool that can be used to avoid unnecessary defaults, late fees, and foreclosures caused by temporary disruptions to a borrower's financial situation.

Mortgage servicers typically allow a borrower to receive forbearance when dealing with a financial hardship. Servicers of federally backed mortgages are subject to guidelines that establish expectations, responsibilities, and authorities when servicing mortgages on behalf of the investors who purchase mortgage-backed securities and the government agencies that insure or guarantee certain mortgages. These guidelines authorize, but do not require, servicers to offer forbearance to borrowers facing a financial hardship, whether related to a natural disaster or a more typical hardship, such as the loss of employment. Servicers of fully private mortgages, which do not receive government support, often follow federal guidelines, at least in part, when servicing these loans

**Proposed Law:**

- Extends the period by which a borrower may submit a request to their mortgage servicer for forbearance for hardship due to the 2025 Los Angeles wildfires, from January 7, 2027 to January 7, 2029.

- Extends the maximum allowable forbearance period under the above-described provisions from 12 to 24 months.

- Requires that a borrower requesting forbearance under these provisions must attest under penalty of perjury that the property securing the residential mortgage loan remains uninhabitable due to the wildfire disaster.

- Specifies that, unless it is prohibited by the terms of the applicable investor contract or servicing guidelines, a mortgage servicer must offer the borrower the option to defer repayment of forborne amounts to the end of the loan term, through a loan deferral or comparable loss mitigation option, consistent with the servicer's contractual authority.

**Related Legislation:** AB 1842 (Harabedian, 2026) 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. AB 1842 is pending in this committee.

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