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 13, 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.

*********** 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) 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.

Author Amendments:

- Authorize a mortgage servicer to request additional documentation from a borrower if all of the following conditions apply:
  - The borrower has requested an extension of a forbearance period that would result in a total forbearance period of more than 12 months.
  - The mortgage servicer has received a written request from the residential mortgage loan’s investor, guarantor, insurer, or holder, requesting documentation from the borrower that is reasonably necessary to decide whether to approve a forbearance period exceeding 12 months.
  - The documentation relates to the name of the financial hardship affirmed by the borrower, the habitability of the property securing the residential mortgage loan, or the efforts undertaken by the borrower to remedy property damage to restore its habitability.
  - Upon the borrower’s request, the mortgage servicer provides the borrower with a copy of the written request for additional documentation.
- State legislative intent to provide a streamlined process for forbearance related to the wildfire disaster and to limit the documentation that a borrower must provide their mortgage servicer to only those documents required by the loan's investor,

guarantor, insurer, or holder to approve or deny a forbearance extension beyond 12 months.

- Extend the notification period from 10 to 21 business days and authorize further extensions upon agreement between the borrower and the mortgage servicer.

-- END --