CONCURRENCE IN SENATE AMENDMENTS
AB 1847 (Harabedian)
As Amended August 13, 2026
Majority vote

SUMMARY

This bill would extend the existing period of emergency mortgage forbearance under AB 238 (Harabedian) Chapter 128, Statutes of 2025 to a total 24 months and extend the latest possible deadline for a borrower's request for forbearance to January 7, 2029.

Senate Amendments

1) Requires the borrower to affirm that the property securing the residential mortgage loan is uninhabitable due to wildfire disaster in addition to the previously existing requirements to request mortgage forbearance.

2) Permits the mortgage servicer to request documentation from the borrower beyond the minimum required hardship attestations if all the following conditions apply:

   a) The borrower has requested an extension of a forbearance period that would result in a total forbearance period of more than 12 months.

   b) The mortgage servicer has received a written request from the investor, guarantor, insurer, or holder of the residential mortgage loan, requesting documentation from the borrower that the investor, guarantor, insurer, or holder requires and that is reasonably necessary to decide whether to approve a request from a borrower for a forbearance period that exceeds 12 months.

   c) The documentation is related to any of the following:

      i) The nature of the financial hardship affirmed by the borrower.

      ii) The habitability of the property securing the residential mortgage loan.

      iii) Efforts undertaken by the borrower to remedy the damage incurred on the property securing the residential mortgage loan with the objective of restoring the habitability of the property.

   d) Upon a request from the borrower, the mortgage servicer provides a copy of the written request described in subparagraph (b) to the borrower.

3) Adds intent language about the preceding process: The intent of this subdivision is 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 those documents that the investor, guarantor, insurer, or holder of the residential mortgage loan requires to approve or deny a request for forbearance that extends the forbearance period beyond 12 months.

4) Increases the amount of time for a servicer to notify the borrower of approval from 10 business days to 21 days.

5) Permits an extension in the 21-day period for notice if the borrower and mortgage servicer agree.

6) Clarifies that no late fees shall be assessed including the period during which the borrower is waiting to be notified of whether their request was approved.

COMMENTS

1) *Background*

In January 2025, lives for families in Los Angeles County changed overnight in the costliest fire in the world.[1] These wildfires, often referred to as firestorms due to the intense hurricane-force winds that helped the fires quickly spread, destroyed more than 17,000 structures and has led to widespread hardship for victims and the surrounding communities. On January 18, 2025, Governor Gavin Newsom announced "commitments from major lenders to provide firestorm survivors with forbearance relief." Under these commitments, qualified borrowers could receive 90 days of forbearance with no lump sum payment at the end of the period under a streamlined request process, relief from mortgage-related late fees accruing during the forbearance period for 90 days, protection from new foreclosures or evictions for at least 60 days, and no reporting of late payments of forborne amounts to credit agencies.

2) AB 238 The Mortgage Forbearance Act

On January 13, 2025, AB 238 co-authored by Assemblymembers Harabedian and Irwin, was introduced to codify similar terms of the commitment announced by the Governor on January 18, 2025. Given the nature of the subject matter, AB 238 was introduced as an urgency measure to take effect immediately upon enactment, opposed to the standard default effective date of January 1 of the following year for non-urgency bills.

Industry stakeholders engaged in the legislative process with the author to collaborate on a final bill that would be inclusive, immediately actualized, and not impede federal contractual obligations for some lenders. Pertinent terms of the existing law are outlined above in the so titled section.

3) One year After the Firestorms–and Outcome Reviews Learning

According to the most recently available data from the Department of Insurance, a total of 42,121 insurance claims have been filed in relation to these fires. 39,677 insurance claims have been partially paid, with $22.4 billion claims paid as of November 2025. However, in January 2026, CalMatters reported that survivors are facing more downstream issues such as delayed or denied insurance claims and rise in insurance premiums. Seven in ten survivors have yet to return home a year after the firestorms.[2]

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[1] https://www.sfchronicle.com/california-wildfires/article/los-angeles-palisades-eaton-insurance-20775841.php
[2] La, L. (2026, January) Southern California fires: One year late. CalMatters. https://calmatters.org/newsletter/southern-california-fires/ Last visited April 11, 2026.

On March 20, 2026, the Assembly Banking and Finance Committee held an Outcomes Review Hearing[3] to hear directly from survivors and community supporters who provide aid to impacted families, as well as representatives from the DFPI, the California Bankers Association, and the California Residential Mortgage Lenders. Relating to this bill, survivors shared a common appeal for forbearance, not forgiveness. Many survivors spoke about the difficulty with the process of obtaining and maintaining forbearance.[4] Despite the financial uncertainty,[5] foreclosure would be a devastating financial loss on top of the new expenditures for displacement. Many survivors shared their fears about managing mortgage payments and rent payments as both forbearance and insurance-paid additional living expenses (ALE) ends.

4) *Examining Rebuilds of Other Recent Disasters*

The benefit of hindsight can provide some guidance as to reasonable expectations for rebuilding a residential community after a natural disaster. These are some recent disasters of various types and locations throughout the state and the process of rebuilding.

a) *Planada Flood (2023):*

   i) *Losses:* More than half (52%, 461 of 891 surveyed) of Planada households reported property loss. Of the 461 households that experienced flooding, 74% (340) lost property inside their home. This included anything from furniture and beds to electrical wiring for lights or the foundation of the home. An additional 7% (30 households) did not lose property in their home but still lost a vehicle.[6]

   ii) *Rebuild:* $20 million secured in FY 2023-2024 State Budget for flood recovery. As of Jan. 23, 2026, three years after the flood, $13.7 million has been paid in direct assistance to residents for lost wages, business and housing repairs, a total of 1,337 claims. 133 home repair applications have been completed and 44 more moving through the process. The goal of Merced County is to complete repair work by June 2026.[7]

b) *Camp Fire (2018)*

   i) *Losses:* 85 lives lost.[8] The community of Concow and the town of Paradise lost an estimated 95% of their buildings. Across the affected areas, nearly 19,000 buildings were destroyed, most of them homes, along with five public schools in Paradise, a

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[3] On November 20, 2025, California Assembly Speaker Rivas announced an initiative to examine the impact of past policy measures and increase legislative accountability. https://speaker.asmdc.org/press-releases/20251120-speaker-rivas-announces-first-its-kind-outcomes-review-legislative. Last visited 3/15/2026.

[4] These experiences are discussed in the analysis for AB 1842, a bill to develop a statewide emergency mortgage forbearance act.

[5] Nearly all survivors described receiving a repayment of plan for cascading payments, remodification that would extend the term significantly, or a lump sum.

[6] "Disaster Response: The Planada Flood, Federal Policy Gaps, and Unmet Community Needs" *University of California Merced, Community and Labor Center* (May, 2023)

[7] McEwen, L. (2026, February 11) "Three years after devastating floods, Planada residents still inching toward 'normal'" *SJV Water*. https://sjvwater.org/three-years-after-devastating-floods-planada-residents-still-inching-toward-normal/. Last visited April 8, 2026.

[8] The Camp Fire Public Report: A Summary of the Camp Fire Investigation (Report). *Butte County District Attorney.* June 16, 2020. Last visited April 8, 2026.

rest home, churches, part of Feather River hospital, a Christmas tree farm, a large shopping center, several fast food chains, and numerous small businesses.[9]

ii) *Rebuild*: As of 2026, seven years later, approximately 40% of the Paradise housing has been restored and the population has grown to more than 11,000, compared to 26,000 before the fire.[10]

c) *Woolsey Fire (2018)*

i) *Losses:* 3 lives lost. 1,643[11] homes and businesses in L.A. and Ventura Counties destroyed.

ii) *Rebuild*: As of September 20, 2025, approximately 45% of the 488 homes in Malibu that were destroyed have been fully rebuilt.[12]

Examination of this history led to discovery of an academic report on the exact issue. The report made the following relevant findings:

Regarding factors that affect rebuilding, the study[13] showed:

1) There are meaningful differences between neighborhoods where homes were rebuilt and those where they were not. In particular, homes that were rebuilt tend to be in more populated areas with newer housing stock, while homes that were not rebuilt tend to be in higher-income areas.

2) One of the strongest predictors of home rebuilding is population density. Homes in neighborhoods with higher populations, more single-family homes, and higher home values are all associated with a greater likelihood of rebuilding. Neighborhoods with a lower probability of rebuilding tend to have a larger retirement-age population and older housing stock, although some of these estimates are inconsistent across data points.

3) Interestingly, homes in higher-income areas are less likely to be rebuilt, which is somewhat counterintuitive but could reflect a greater reliance on insurance settlements or stricter environmental review processes.

4) The Woolsey Fire, which offers the closest comparison to the Palisades and Eaton fires geographically, shows just how slow rebuilding can be when permitting delays, underinsurance, and financial straits coincide. In the Woolsey case, more homes were rebuilt in the fourth year following the fire, a stark contrast to other fires, such as Atlas and Carr, where rebuilding began at a brisk pace the following year.

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9 "Camp Fire devastates Paradise near Chico – businesses, church, numerous homes burn". *San Francisco Chronicle*. November 8, 2018. Last visited April 8, 2026

10 Cortez, D. (2025, November 8). "Paradise rebuilding efforts continue 7 years after Camp Fire". *KCRA3*. Last visited April 8, 2026.

11 "Woolsey Fire Incident Update". *Los Angeles County Fire Department.* Archived from the original on November 12, 2018. Last visited April 8, 2026.

12 https://malibupermits.ci.malibu.ca.us/WoolseyRebuildStats.aspx?returnId=901. Last visited April 8, 2026.

13 "Burned, Sold, and Rebuilt? The Long Road to Recovery After California Wildfires" *Pepperdine University Beacon Economics.* (January, 2026)

5) Senate Amendments

This bill extends a forbearance intervention that would apply to mortgage servicers of both conforming and nonconforming loans. While the prior underlying legislation is modeled after the successful federal CARES Act, the situation facing fire victims is different than the pandemic and thus may call for a modified approach. *(Please see the Banking and Finance Committee analysis for a detailed analysis of each of the following considerations.)*

The Senate amendments appear to solve for most of the major concerns raised by industry stakeholders, which were centered around lack of proof and the potential for fraud. The Senate amendments permit the mortgage servicer to request documents and proof that appear currently in line with the practices of mortgage services of all sizes. As a result, all opposition has been removed.

According to the Author
The Eaton and Palisades wildfires displaced nearly 192,000 people and forced many into prolonged recovery with insurance delays, rebuilding challenges, and financial strain. AB 1847 extends the Mortgage Forbearance Act for an additional year to ensure these homeowners can delay mortgage payments without penalties or foreclosure risk. This bill provides critical stability and supports equitable recovery for disaster impacted families still working to rebuild their homes and lives. By preventing unnecessary foreclosures, it also protects long term community stability and helps preserve neighborhoods affected by these devastating fires.

Arguments in Support
"While AB 238 provided critical initial relief, recovery from these fires has taken far longer than anticipated. Many families remain displaced due to insurance delays, permitting backlogs, labor shortages, and escalating rebuilding costs. In many cases, mortgage payments are resuming even though homes remain uninhabitable.

AB 1847 provides necessary continuity and stability by extending existing forbearance protections, ensuring that families are not forced into foreclosure or financial hardship while they work to rebuild. This extension recognizes the realities of disaster recovery and protects homeowners through no fault of their own."—*Western Center on Law and Poverty*

Arguments in Opposition
None received. Last verified 8/24/2026.

FISCAL COMMENTS

The following is from the analysis of the Senate Committee on Appropriations, hearing date August 13, 2026: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.

VOTES:

ASM BANKING AND FINANCE: 5-2-2
YES: Valencia, Fong, Krell, Michelle Rodriguez, Schiavo

NO: Chen, Dixon
ABS, ABST OR NV: Blanca Rubio, Soria

ASM JUDICIARY: 8-3-1
YES: Kalra, Bauer-Kahan, Bryan, Connolly, Harabedian, Papan, Stefani, Zbur
NO: Macedo, Dixon, Sanchez
ABS, ABST OR NV: Pacheco

ASM APPROPRIATIONS: 10-4-1
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pellerin, Sharp-Collins, Solache
NO: Hoover, Dixon, Ta, Tangipa
ABS, ABST OR NV: Pacheco

ASSEMBLY FLOOR: 49-18-13
YES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Lee, Lowenthal, McKinnor, Ortega, Papan, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Valencia, Ward, Wicks, Zbur, Rivas
NO: Alanis, Chen, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis
ABS, ABST OR NV: Castillo, Davies, Krell, Muratsuchi, Nguyen, Pacheco, Patel, Ransom, Celeste Rodriguez, Michelle Rodriguez, Blanca Rubio, Soria, Wilson

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