

Date of Hearing: April 14, 2026

Counsel: Dustin Weber

ASSEMBLY COMMITTEE ON PUBLIC SAFETY

Nick Schultz, Chair

AB 2553 (Petrie-Norris) – As Amended March 16, 2026

**SUMMARY:** Specifies that for a person who is granted probation for certain convictions relating to crimes involving real property, the probation term shall be up to five years for either a misdemeanor or felony. Specifically, **this bill:**

- 1) States that, notwithstanding other specified laws, a defendant granted probation shall have a probation term up to five years for either a misdemeanor or felony, for the following offenses:
  - a) Procuring or offering any false or forged instrument to be filed, registered, or recorded in any public office.
  - b) Making a false sworn statement to a notary public.
  - c) Fraudulently removing his or her property or effects out of this state with intent to defraud, hinder or delay his or her creditors of their rights, claims, or demands.
  - d) Theft, embezzlement, forgery, fraud, or identity theft, with respect to the property or personal identifying information of an elder or a dependent adult.
  - e) Intent to defraud by signing the name of another person or of a fictitious person.
  - f) Alters, falsifies, forges, duplicates or in any manner reproduces or counterfeits any driver's license or identification card issued by a governmental agency with the intent that such driver's license or identification card be used to facilitate the commission of any forgery.
  - g) Displays any driver's license or identification card with the intent that the driver's license or identification card be used to facilitate the commission of any forgery.
  - h) Possesses or receives, with the intent to pass or facilitate the passage, any forged, altered, or counterfeit items.
  - i) Grand theft when money, labor, real property, or personal property taken is of a value exceeding \$950.
  - j) Falsely personates another in either his or her private or official capacity.
  - k) Manufactures, sells, offers for sale, or transfers any document purporting to be a government-issued identification card or driver's license.

- l) Willfully obtains personal identifying information of another person, and uses that information for any unlawful purpose, without the consent of that person.
- m) Fraudulent conveyance of any lands, tenements, or hereditaments, goods or chattels, or any right or interest issuing the same.
- n) Knowingly executes or procures another to execute any instrument purporting to convey any real property, or any right or interest therein, knowing that such person so executing has no right to or interest in such property.
- o) Knowingly defrauds any other person of money, labor, or property, whether real or personal, or who causes or procures others to report falsely of his or her wealth or mercantile character.
- p) Commits mortgage fraud with the intent to defraud.
- q) Selling, bartering, or disposing of any tract of land or town lot, willfully and with intent to defraud previous or subsequent purchasers, to any other person for a valuable consideration.
- r) Married or in a registered domestic partnership, who falsely and fraudulently represents himself or herself as competent to sell or mortgage any real estate.
- s) Gives, offers, or agrees to give to any director, officer, or employee of a financial institution any thing of value for his own personal benefit or of personal advantage, for procuring or endeavoring to procure for any person a loan or extension of credit from such financial institution.
- t) Negotiates, arranges, or otherwise offers to perform a mortgage loan modification or other form of mortgage loan forbearance for a fee or other compensation paid by the borrower.

**EXISTING LAW:**

- 1) Provides that the court, or judge thereof, in the order granting probation, may suspend the imposing or the execution of the sentence and may direct that the suspension may continue for a period of time not exceeding two years, and upon those terms and conditions as it shall determine. (Pen. Code, § 1203.1, subd. (a).)
- 2) Provides that the court, or judge thereof, in the order granting probation and as a condition thereof, may imprison the defendant in a county jail for a period not exceeding the maximum time fixed by law in the case. (Pen. Code, § 1203.1, subd. (a).)
- 3) Authorizes the court to impose and require any or all of the terms of imprisonment, fine, and conditions specified in this section, and other reasonable conditions, as it may determine are fitting and proper to the end that justice may be done, that amends may be made to society for the breach of the law, for any injury done to any person resulting from that breach, and generally and specifically for the reformation and rehabilitation of the probationer, and that

should the probationer violate any of the terms or conditions imposed by the court in the matter, it shall have authority to modify and change any and all the terms and conditions and to reimprison the probationer in the county jail within the limitations of the penalty of the public offense involved. (Pen. Code, § 1203.1, subd. (j).)

- 4) States that upon the defendant being released from the county jail under the terms of probation as originally granted or any modification subsequently made, and in all cases where confinement in a county jail has not been a condition of the grant of probation, the court shall place the defendant or probationer in and under the charge of the probation officer of the court, for the period or term fixed for probation. (Pen. Code, § 1203.1, subd. (j).)
- 5) Provides that, upon the payment of any fine imposed and the fulfillment of all conditions of probation, probation shall cease at the end of the term of probation, or sooner, in the event of modification. (Pen. Code, § 1203.1, subd. (j).)
- 6) Provides that the two-year felony probation limit shall not apply to:
  - a) A violent felony, as specified, and an offense that includes specific probation lengths within its provisions. For these offenses, the court, or judge thereof, in the order granting probation, may suspend the imposing or the execution of the sentence and may direct that the suspension may continue for a period of time not exceeding the maximum possible term of the sentence and under conditions as it shall determine.
  - b) A felony conviction for grand theft, as specified, embezzlement, and fraudulently obtaining money, property, or labor, if the total value of the property taken exceeds twenty-five thousand dollars (\$25,000). For these offenses, the court, or judge thereof, in the order granting probation, may suspend the imposing or the execution of the sentence and may direct that the suspension may continue for a period of time not exceeding three years, and upon those terms and conditions as it shall determine. (Pen. Code, § 1203.1, subd. (1)(1)-(2).)
- 7) Provides that the following shall apply to felony probation, as specified:
  - a) The court may fine the defendant in a sum not to exceed the maximum fine provided by law in the case.
  - b) The court may, in connection with granting probation, impose either imprisonment in a county jail or a fine, both, or neither.
  - c) The court shall provide for restitution in proper cases.
  - d) The court may require bonds for the faithful observance and performance of any or all of the conditions of probation. (Pen. Code, § 1203.1, subd. (a)(1)-(4).)
- 8) Provides that, in counties or cities and counties where road camps, farms, or other public work is available the court may place the probationer in the road camp, farm, or other public work instead of in jail. (Pen. Code, § 1203.1, subd. (c).)

- 9) States that a person commits mortgage fraud if, with the intent to defraud, the person does any of the following:
  - a) Deliberately makes, uses, or facilitates any misstatement, misrepresentation, or omission during the mortgage lending process with the intention that it be relied on by a mortgage lender, borrower, or any other party to the mortgage lending process.
  - b) Receives any proceeds or any other funds in connection with a mortgage loan closing that the person knew resulted from a defined violation.
  - c) Files or causes to be filed with the recorder of any county in connection with a mortgage loan transaction any document the person knows to contain a material misstatement, misrepresentation, or omission. (Pen. Code, § 532f, subd. (a).)
- 10) Provides that a mortgage broker or person who originates a loan commits mortgage fraud if, with the intent to defraud, the person does either of the following:
  - a) Instructs or otherwise deliberately causes a borrower to sign documents reflecting the terms of a business, commercial, or agricultural loan, with knowledge that the borrower intends to use the loan proceeds primarily for personal, family, or household use.
  - b) Instructs or otherwise deliberately causes a borrower to sign documents reflecting the terms of a bridge loan, with knowledge that the loan proceeds will be not used to acquire or construct a new dwelling. (Pen. Code, § 532f, subd. (b).)
- 11) Specifies that an offense involving mortgage fraud shall not be based solely on information lawfully disclosed pursuant to federal disclosure laws, regulations, or interpretations related to the mortgage lending process. (Pen. Code, § 532f, subd. (c).)
- 12) States that, notwithstanding any other provision of law, an order for the production of any or all relevant records possessed by a real estate recordholder may be issued by a judge upon a written ex parte application made under penalty of perjury by a peace officer stating that there are reasonable grounds to believe that the records sought are relevant and material to an ongoing investigation of a felony fraud violation. (Pen. Code, § 532f, subd. (d)(1).)
- 13) Specifies that fraud involving a mortgage loan may only be prosecuted when the value of the alleged fraud meets the threshold for grand theft, as defined. (Pen. Code, § 532f, subd. (k).)
- 14) Defines “person” as any individual, partnership, firm, association, corporation, limited liability company, or other legal entity. (Pen. Code, § 532f, subd. (j)(1).)
- 15) Defines “mortgage lending process” as the process through which a person seeks or obtains a mortgage loan, including, but not limited to, solicitation, application, origination, negotiation of terms, third-party provider services, underwriting, signing and closing, and funding of the loan. (Pen. Code, § 532f, subd. (j)(2).)
- 16) Defines “mortgage loan” as a loan or agreement to extend credit to a person that is secured by a deed of trust or other document representing a security interest or lien upon any interest

in real property, including the renewal or refinancing of the loan. (Pen. Code, § 532f, subd. (j)(3).)

- 17) Defines “real estate recordholder” as any person, licensed or unlicensed, that meets any of the following conditions:
- a) Is a title insurer that engages in the “business of title insurance” as defined, an underwritten title company, or an escrow company.
  - b) Functions as a broker or salesperson by engaging in any specified acts.
  - c) Engages in the making or servicing of loans secured by real property. (Pen. Code, § 532f, subd. (j)(4).)

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

- 1) **Author's Statement:** According to the author, “State and Federal officials from the Federal Bureau of Investigation to the California Attorney General have recognized the growing problem of crimes related to real estate fraud. For example, scammers take advantage of struggling homeowners and take mortgage payments that should be going to the lender. Perpetrators tend to prey on older victims who are facing financial hardship and target their main source of wealth—their home.

“If a scammer is convicted of a crime related to real estate fraud, the maximum allowable probation period of one year for a misdemeanor or two years for a felony is often not enough time for the perpetrator to repay victims. This bill lengthens the maximum allowable probation period to five years for a targeted list of crimes relating to real estate fraud. This increased judicial oversight ensures that victims of real estate fraud get the money they are owed.”

- 2) **Effect of the Bill:** AB 2553 would extend the duration of probation terms to a maximum of five years for specified misdemeanors and felonies generally related to real estate crimes. Probation is the suspension of a custodial sentence and a conditional release of a defendant into the community. Probation can be “formal” or “informal.” Formal probation is under the direction and supervision of a probation officer. Generally, the level of probation supervision will be linked to the level of risk the probationer presents to the community.

Defendants convicted of misdemeanors, and most felonies, are eligible for probation based on the discretion of the court. When considering the imposition of probation, the court evaluates the safety of the public, the nature of the offense, the interests of justice, the loss to the victim, and the needs of the defendant. (Pen. Code, § 1202.7.) The court also has broad discretion to impose conditions that foster the defendant’s rehabilitation and protect public safety. (*People v. Carbajal* (1995) 10 Cal.4th 1114, 1120.) A valid condition must be reasonably related to the offense and aimed at deterring misconduct in the future. (*Id.* at 1121.)

AB 1950 (Kamlager), Chapter 328, Statutes of 2020, limited probation to two years for a

felony and one year for a misdemeanor, except where “an offense that includes specific probation lengths within its provisions.” (Pen. Code, § 1203.1, subd. (l)(1).) According to AB 1950’s author:

Probation - originally meant to reduce recidivism - has instead become a pipeline for re-entry into the carceral system.

Research by the California Budget & Policy Center shows that probation services, such as mental healthcare and addiction treatment, are most effective during the first 18 months of supervision. Research also indicates that providing increased supervision and services earlier reduces an individual’s likelihood to recidivate. A shorter term of probation, allowing for an increased emphasis on services, should lead to improved outcomes for both people on misdemeanor and felony probation while reducing the number of people on probation returning to incarceration.

AB 1950 would restrict the period of adult probation for a misdemeanor to no longer than one year, and no longer than two years for a felony. In doing so, AB 1950 allows for the reinvestment of funding into supportive services for people on misdemeanor and felony probation rather than keeping this population on supervision for extended periods.

Since AB 1950 (Kamlager, Chapter Statutes of 2020), numerous efforts have been made to establish exceptions to AB 1950’s general rule. Data on the effects of probation, however, suggests these extensions may not produce the desired public safety benefits.

California has steadily reduced its incarcerated population for much of the past decade leading to an approximate reduction of 40,000 in incarcerated populations.<sup>1</sup> Extending terms of probation risks unraveling that progress. A 2019 report from the Council of State Governments found that while parole and probation are designed to lower prison populations and help people succeed in their return to the community, certain data show they may have the opposite effect.<sup>2</sup> One effect of longer probation terms could mean more chance for violations and potentially, more time in confinement. The costs of incarcerating a person have also risen dramatically in recent years—from \$91,000 per person in 2019 to \$133,000 per person in 2024.<sup>3</sup> The passage of Proposition 36 has caused the Legislative Analyst’s Office (LAO) to already project an increase of more than 4,000 people in confinement over the next two years.<sup>4</sup> Given data on the impacts of longer probation terms, it is unclear whether pursuing longer terms will have a beneficial public safety benefit.

- 3) **Argument in Support:** According to the *California District Attorneys Association*, “Real estate fraud schemes—such as deed fraud, mortgage fraud, and foreclosure scams—often

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<sup>1</sup> *Spring 2025 Population Projections* (May 2025) California Department of Corrections and Rehabilitation <[https://www.cdcr.ca.gov/research/wp-content/uploads/sites/174/2025/05/Spring-2025-Population-Projections\\_May\\_2025\\_revised-1.pdf](https://www.cdcr.ca.gov/research/wp-content/uploads/sites/174/2025/05/Spring-2025-Population-Projections_May_2025_revised-1.pdf)> [as of Apr. 9, 2026].

<sup>2</sup> *Confined and Costly: How Supervision Violations are Filling Prisons and Burdening Budgets* (2019) The Council of State Governments Justice Center <<https://csgjusticecenter.org/wp-content/uploads/2020/01/confined-and-costly.pdf>> [as of Apr. 9, 2026].

<sup>3</sup> Harris, et al., *California’s Prison Population* (Sept. 2024) Public Policy Institute of California <<https://www.ppic.org/publication/californias-prison-population/>> [as of Apr. 9, 2026].

<sup>4</sup> *The 2025-26 Budget: California Department of Corrections and Rehabilitation* (Feb. 25, 2025) Legislative Analyst’s Office <<https://lao.ca.gov/Publications/Report/4986>> [as of Apr. 9, 2026].

result in significant financial losses to victims, including the loss of homes or life savings. While courts routinely order restitution in these cases, current law limits probation terms to one or two years in most cases, which is often insufficient time for offenders to fully repay victims. As a result, once supervision ends, many perpetrators stop making restitution payments, leaving victims without meaningful recourse.

“AB 2553 provides a targeted and practical solution by extending the maximum probation period for specified real estate fraud offenses to up to five years. This additional time ensures that courts retain jurisdiction long enough to enforce restitution orders and hold offenders accountable for the financial harm they have caused. Importantly, the bill focuses on a defined set of offenses and does not broadly expand probation for unrelated crimes.

“From a public safety and victim protection perspective, this measure is critical. Real estate fraud can devastate individuals and families, and ensuring restitution is a key component of justice. AB 2553 strengthens accountability, reinforces deterrence, and helps restore confidence that those who commit these crimes will be required to repay what they have taken.”

- 4) **Argument in Opposition:** According to the *Sister Warriors Freedom Coalition*, “California has implemented various criminal justice reforms, shifting state resources away from a legacy of over-incarceration and towards prevention, intervention, and treatment. However, efforts to extend probationary periods contain many issues that are antithetical to this recent trend. A few years ago, this legislature passed a historic reform, AB 1950 (Kamlager-Dove), that limited the term of probation to no more than two years for a felony conviction and one year for a misdemeanor conviction, with limited exceptions. AB 2553 seeks to reverse this progress.

“A 2018 Justice Center of the Council of State Governments study found that a large portion of people violate probation and end up incarcerated as a result.<sup>1</sup> The study revealed that 24% of prison admissions in California are the result of supervised violations,<sup>2</sup> vastly increasing amount of money we spend annually to incarcerate people for these violations. Prior to the AB 1950 reform, 20% of people incarcerated in a California prison were behind bars for supervised probation violations.<sup>3</sup> Most violations are ‘technical’ and minor in nature, such as missing a drug rehab appointment or socializing with a friend who has a criminal record. Probation — originally meant to reduce recidivism — has instead become a pipeline for reentry into the carceral system.

“Supervision revocations, especially for technical violations, are a major driver of costly jail and prison admissions, and even short jail stays can create serious hardships for individuals, including loss of employment, decreased wages, housing insecurity, and family instability.<sup>4</sup> Prior to the AB 1950 reform, incarceration for supervision revocations cost California taxpayers at least \$2 billion annually.<sup>5</sup> We encourage the legislature to allow for the recent reform to continue taking effect before we make any further changes.”

5) **Related Legislation:**

- a) AB 1816 (Davies) would require an offender, who has to register as a sex offender as a condition of probation, if the probation department files a petition to the court and the court makes a finding the defendant has not successfully completed probation and

additional time is necessary for programming, authorize the court to order the term of probation to continue for a period not exceeding one additional year. AB 1816 is pending hearing in the Assembly Appropriations Committee.

- b) AB 1886 (Elhawary) would remove the exclusion of wards that have been ordered to be under the supervision of the probation officer for placement in specified out-of-home placements from the 12-month limitation. AB 1886 is pending hearing in the Assembly Public Safety Committee.
- c) AB 2237 (Patterson) would authorize a court to impose punishment in misdemeanor cases to suspend the sentence for a period of time not exceeding 3 years for an individual granted probation and ordered to register as a sex offender. AB 2237 failed passage in this committee and was granted reconsideration.

**6) Prior Legislation:**

- a) AB 1316 (Bonta), Chapter 575, Statutes of 2025, among other things, limited to 12 months the period of time a ward may remain on probation, except that a court may extend the probation period after a noticed hearing and upon proof by a preponderance of the evidence that it is in the ward's and the public's best interest. The bill would require the probation agency to submit a report to the court detailing the basis for any request to extend probation at the noticed hearing.
- b) AB 2106 (McCarty), Chapter 1007, Statutes of 2024, required, in instances where a defendant is charged with a controlled substance offense and granted probation, the court to order a drug treatment program or drug education, if an appropriate program with capacity to accept the defendant has been identified by the probation officer.
- c) AB (Petrie-Norris), Chapter 264, Statutes of 2023, authorized a court, for entities with more than 10 employees, to impose a period of probation for a maximum period of 5 years in specified crimes relating to, among other things, dumping in waterways, pesticides, oil dumping and spills, waste management, and animal cruelty.
- d) AB 890 (Patterson), Chapter 818, Statutes of 2023, required the court to order a person granted probation for a violation of specified laws involving any amount of controlled substances, to successfully complete a fentanyl and synthetic opiate education program, if one is available.
- e) AB 503 (Stone), of the 2021-22 Legislative Session, would have limited to 6 months the period of time a ward may remain on probation, except that a court may extend the probation period for a period not to exceed increments of 6 months after a noticed hearing and upon proof by a preponderance of the evidence that it is in the ward's best interest. AB 503 was vetoed by the Governor.
- f) AB 1753 (Gallagher), of the 2021-22 Legislative Session, would have prohibited the period of probation from exceeding 3 years if the court grants probation to a person punished for crimes involving the sale or purchase of specified animals. AB 1753 was held in the Assembly Wildlife, Parks, and Water Committee.

- g) SB 73 (Wiener), Chapter 537, Statutes of 2021, authorized the prohibitions on probation to be waived by a court in the interests of justice for defined crimes relating to controlled substances.
- h) AB 1950 (Kamlager), Chapter 328, Statutes of 2020, restricted the period of probation for a felony to 2 years and for misdemeanor to no longer than one year, except as specified.
- i) AB (Jones-Sawyer), Chapter 574, Statutes of 2019, made the imposition of the 180-day confinement condition on probation permissive rather than mandatory for a person who is granted probation after being convicted of furnishing or transporting specified controlled substances.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Association of Realtors (Sponsor)  
California District Attorneys Association  
Office of the District Attorney of Orange County  
Orange County Realtors

**Opposition**

ACLU California Action  
California Coalition for Women Prisoners  
California Public Defenders Association  
Californians United for a Responsible Budget  
Justice2jobs Coalition  
LA Defensa  
Sister Warriors Freedom Coalition  
1 Private Individual

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