

The Honorable Paul Fong
State Capitol, Room 5135
Sacramento, CA 95814

RE: AB 1160 (Fong)—SUPPORT

Dear Assembly Member Fong:

CALPIRG supports AB 1160 (Fong) which closes a loophole in current law by requiring mortgage lenders to provide translated mortgage summary documents to a borrower in the language in which it was negotiated. Mortgage brokers already are required to provide translated mortgage documents – or a specified summary of key terms -- if they negotiate a mortgage loan in Spanish, Chinese, Tagalog, Korean or Vietnamese.

The purchase of a home is a cornerstone of the American dream, and for most people it is the largest financial transaction they will ever negotiate. It is crucial that Californians with limited English proficiency receive in writing the terms of the mortgage in a language they can understand. For many, failure to provide translated documents results in limited or incorrect understanding of key loan terms such as interest rate adjustments and prepayment penalties.

Current California law already requires a translation of mortgage summary documents if the loan is negotiated through a mortgage broker. AB 1160 seeks to create uniformity by applying the same requirement to lenders. AB 1160 would only require a translation of the mortgage documents if the loan is negotiated orally in Spanish, Chinese, Tagalog, Korean or Vietnamese. AB 1160 would require the Department of Corporations to make translated summary forms available to lenders, facilitating easy compliance for lenders.

Thank you for your leadership in authoring AB 1160 to strengthen protections for home owners in California.

Sincerely,

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