

## Bill would reduce public notice for foreclosures

By Richard Locker

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NASHVILLE -- The state House of Representatives is set to consider a bill today to cut from three to two the number of times foreclosure notices are published in newspapers and to cut the size of the notices.

The bill is sought by the Tennessee Bankers Association, which wants to reduce the expenses of publishing the notices, and is opposed by the Tennessee Press Association, some foreclosure attorneys and consumer advocates.

Testimony on the bill in the Senate Judiciary Committee on Tuesday indicated that the lengthy legal descriptions of real estate that is often included in the notices -- the so-called "metes and bounds" survey descriptions -- are not required by existing state law that requires only a "brief description." The Bankers Association never explained why most notices include the much longer descriptions not required by law.

Tim Amos, lobbyist for the TBA, told the committee that the cost of running three notices varies widely across the state, from \$700 to \$3,000. The bill's sponsor, Sen. Jack Johnson, R-Franklin, said that when property owners catch up on their debt and avoid foreclosure, they often bear the costs of the ads but banks generally bear the expense if the foreclosure occurs.

Amos said the newspaper notice is not for the benefit of the borrower, who gets several notices by mail. "The purpose of putting it in the newspaper is to notify people who have an unrecorded interest or a junior interest in the property, like a second lienholder or judgment lienholder that don't get actual notice.

"The second purpose is hopefully to attract bidders so you can have an actual sale (of the foreclosed property). But what we realize is, it's a pretty miserable failure if that's the purpose because nobody shows up to bid, or very few do and they're often not qualified bidders. Occasionally you do get some investors to show up and bid but that's a very rare case," he said.

But Steve Baker, a Nashville lawyer who represents banks and other lenders in foreclosures, told the committee that Tennessee's public notice requirements for foreclosure exist for other reasons, including public confidence in the process.

Tennessee is one of five states that don't require judicial oversight or approval of foreclosures, and if the bill passes, will join West Virginia as the only states with non-judicial foreclosure that require only two public notices.

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