

State lawmakers pass legal-notice bill

Foreclosure trustees cannot publish in self-owned paper

The Legislature voted this week to prevent foreclosure trustees from buying small newspapers in order to run the trustees' notices of foreclosure sales.

Publishers have slammed this type of business integration, saying trustees are undermining journalistic integrity, but the Newspaper Association of Idaho lobbied for the bill—House Bill 624—for a different reason.

"The real concern is a [newspaper's] policy of public notice," said Jeremy Pisca, spokesman for the Newspaper Association of Idaho. "With regard to a home foreclosure, the idea is that someone's house is going to be foreclosed on and sold in a public bidding process. It's in the homeowner's interest that notice is sent to the most people."

That's because the larger the newspaper's circulation, the more the number of potential bidders who may see it, possibly driving up the foreclosed home's price and reliving more of the homeowner's debt. But Pisca said the trustee firms are mostly buying small papers.

Idaho Code requires that legal notice of a foreclosure must be published in "a newspaper of general circulation ... for four (4) consecutive weeks." State law sets the fees for the notices but does not address whether they run in papers of large or small circulation. Legal notices provide a revenue source to papers, as the ads can run up to \$1,000 for four weeks.

"From a business model standpoint, it wouldn't make sense to purchase large papers with a lot of capital investment," Pisca said. "You can see the economies of scale there."