

# Asset-Building Legislation in California

2007-2008 Legislative Session



These bills represent active legislation that enable and encourage low- and moderate-income families to accumulate, leverage and preserve their assets. Learn more about APIC's asset-building framework at [www.assetpolicy.org](http://www.assetpolicy.org).

Highlighted rows designate APIC is actively supporting (*Updated 05.07.08*)

Asset Accumulation					
Bill #	Bill Name	Sponsor	Description	Status	Source
AB 372	Consumer credit reports: security freezes.	Salas	Request for credit freeze can be sent by mail rather than by certified mail and would require a consumer credit reporting agency to place a security freeze within 3 business days rather than 5 after receiving a request from a consumer. The bill would authorize an agency to charge a fee of no more than \$10 to a consumer under 65 years of age and \$5 to a consumer 65 years of age or older for placing , temporarily lifting, or permanently removing a security freeze.	02/08 Referred to JUDICIARY committee. Hearing 5/13/08.	<a href="#">Bill Text</a>
SB 1341	CalWORKs: personal property retention	Padilla	Enables CalWORKs recipients to secure stable housing and become more self reliant by allowing them to save for rental housing costs.	5/08 headed to Assembly committee on HUMAN SERVICES.	<a href="#">Bill Text</a>
AB 167	CalWORKs eligibility: asset limits	Bass	Repeals the existing CalWORKs asset limit as a means of promoting self-sufficiency of low-income families.	Held under submission. 8/07 Senate APPROPRIATIONS.	<a href="#">Bill Text</a>
AB 1502	Banking Development Districts	Lieu	This measure identifies specific "Banking Development Districts" where businesses will receive certain incentives to develop enhanced and expanded products and services for lower income consumers. The proposal encourages banks to locate in underserved communities and help unbanked Californians establish bank accounts and enter the financial mainstream.	In the Senate BANKING, FINANCE & INSURANCE committee	<a href="#">Bill Text</a>
AB 2368	CalWORKs eligibility: asset limits: motor vehicles	Fuentes	The bill would exclude the value of a licensed motor vehicle from consideration when determining or redetermining CalWORKs eligibility.	03/08 : Referred to APPROPRIATIONS committee. Hearing 5/7/08.	<a href="#">Bill Text</a>
AB 2123	California Financial literacy Initiative	Lieu	This bill would establish the California Financial Literacy Initiative to improve financial literacy by offering instructional materials to California residents. Would be managed by the Controller.	4/08 Set first hearing. Re-referred to APPROPRIATIONS suspense file.	<a href="#">Bill Text</a>

AB 2271	California Financial literacy Initiative	Fuentes	This bill would encourage the availability of financial literacy information in community-based organizations, consumer counseling organizations, educational institutions, government, and financial institutions.	4/08 Hearing canceled at authors request.	<a href="#">Bill Text</a>
AB 2940	California Employee Savings Program (CalESP)	De Leon	This bill would create a voluntary, universal, portable retirement account for California workers who do not have access to retirement savings plan. The account would supplement the current employer-based system and Social Security. It promotes expanded retirement security for working Californians by making it easier for them to save while providing smaller employers a basic retirement plan to offer their employees.	4/30 Set first hearing. Referred to APPROPRIATIONS Suspense file.	<a href="#">Bill Text</a>
AB 1	Health care coverage	Laird	Expands Medi-Cal and Healthy Families Program (HFP) eligibility to cover all children with family incomes at or below 300% of the federal poverty level (FPL). Establishes a HFP Buy-In Program for children in families with incomes above 300% FPL.	10/07 Corrected on October 10, 2007.	<a href="#">Bill Text</a>
AB 851	Medi Cal eligibility	Brownley	Allows persons with disabilities who can't afford to leave Medi-Cal or who need personal care services to work and keep a reasonable portion of their earnings.	4/08 re-referred to committee on HEALTH.	<a href="#">Bill Text</a>
AB 2292	Income tax: health savings account	Garrick	Conforms to federal tax law with respect to health savings accounts (HSAs). This bill would allow a deduction in connection with health savings accounts in conformity with federal law.	Re-referred to committee on REVENUE & TAXATION. Hearing 5/12/08.	<a href="#">Bill Text</a>
<b>Asset Leveraging</b>					
<b>Bill #</b>	<b>Bill Name</b>	<b>Sponsor</b>	<b>Description</b>	<b>Status</b>	<b>Source</b>
AB 2998	Economic development: microenterprise development	Carter	Provide better technical assistance and training to entrepreneurs who start or operate small businesses in the state. This bill will provide support for low-income communities by creating more opportunities for small business development.	4/08 Set first hearing. Referred to APPROPRIATIONS suspense file.	<a href="#">Bill Text</a>
AB 512	Contracts: translation	Lieber	Requires consumer real estate contract/documents to be translated into Spanish, Chinese, Tagalog, Vietnamese and Korean when contracts are negotiated in those languages.	9/07 Re-referred to Committee on BANKING, FINANCE. & INSURANCE.	<a href="#">Bill Text</a>
AB 2509	Housing finance: mortgage guarantee program	Galgiani	The bill would establish the Homeownership Preservation Mortgage Guarantee Fund in the State Treasury and would require the agency to establish a general account in the fund and, upon appropriation, deposit the sum of \$50,000,000 in that general account.	4/08 Referred to APPROPRIATIONS Suspense file.	<a href="#">Bill Text</a>

Asset Preservation					
Bill #	Bill Name	Sponsor	Description	Status	Source
SB 1137	Residential mortgage loans: foreclosure procedures	Perata	Requires mortgage lenders to properly notify borrowers before rate changes. Meet with troubled borrowers in person. And provide 90 day notice to tenants residing in foreclosed property.	5/08 Read second time. Amended. Re-referred to Committee on BANKING and Finance. Hearing 5/15/08.	<a href="#">Bill Text</a>
AB 2187	Mortgages: foreclosure	Caballero	Requires lending institutions to contact homeowners by mailing them a "bill of rights" explaining the foreclosure process.	5/08 Read second time. Re-referred to committee on APPROPRIATIONS.	<a href="#">Bill Text</a>
AB 2845	Pay day loan reform Act.	Jones	This measure caps the loan rates on 'pay day loans' at 36% which typically bear interest rates of a few hindered percent and traps low-income families in a cycle of indebtness. This sis similar to the federal bipartisan legislation that capped pay day loans at 36% for member of the military.	04/08 Referred to committee on RLS by unanimous consent.	<a href="#">Bill Text</a>
AB 2450	Tenancies: foreclosure	Davis	Requires landlord to provide tenants residing in foreclosed properties 90 days notice.	From printer. May be heard in committee March 23.	<a href="#">Bill Text</a>
AB 1837	Consumer loans: subprime and nontraditional loans	Garcia	This bill defines "subprime loan" and "nontraditional loan" and would prohibit these loans from including prepayment fees. This bill would also prohibit a licensed professional from receiving any compensation for originating a subprime/nontraditional loan.	02/08 Referred to BANKING & FINANCE committee.	<a href="#">Bill Text</a>
AB 69	Mortgage lending: reporting	Lieu	Requires financial institution servicing loans secured by real property, to report to the commissioner monthly with specified information related to different types of loans serviced by those entities, including whether the loans are past due, in foreclosure, or have been modified. Also requires financial institutions to make information on these reports available on its Internet Web site , as specified make information on these reports available on its Web site.	2/08 referred to committee on BANKING FINANCE & INSURANCE.	<a href="#">Bill Text</a>
AB 2880	Mortgage lending	Wolk	This bill would impose a greater fiduciary duty on mortgage brokers to act in the best interests of the borrower, and limit the use of "yield spread premiums," which are incentives paid to brokers to sign borrowers at interest rates that are higher than the rate for which they are qualified.	Assembly APPROPRIATIONS committee, suspense file.	<a href="#">Bill Text</a>

AB 180	Mortgages: foreclosure consultants	Bass	Allows homeowners to cancel a contract with a foreclosure consultant within 5 days after signing the contract , and to do so by mail, e-mail, or facsimile. It would also require that a contract with a foreclosure consultant be written in the language principally used by the foreclosure consultant. This bill would prohibit foreclosure consultant from taking any power of attorney from an owner for any purpose.	2/08 Referred to JUDICIARY committee.	<a href="#">Bill Text</a>
AB 1830	High-cost, subprime, and nontraditional loans	Lieu	This bill would redefine a "covered loan" as a "high-cost loan," would establish "subprime loans" and "nontraditional loans," as defined, as new categories of regulated loans, and would make various conforming changes to existing law relative to these loans.	4/08 Re-referred to APPROPRIATIONS committee, suspense file.	<a href="#">Bill Text</a>
SB 1065	Home financing programs: reverse home mortgages	Correa	This bill would define home mortgage and reverse mortgage, which would be included in the criteria for establishing a max. household income for the purposes of a city- or county-administered home financing program.	5/08 Read second time.	<a href="#">Bill Text</a>
AB 2876	Postsecondary education: Student Loan Integrity Act.	Lieber	The bill requires each public and private high school to post similar warning statement regarding private student loans in a prominent place. The bill would provide that a public or private postsecondary educational institution's failure to send or post a warning notices would be a violation of the institution's fiduciary duty.	4/08 Re-referred to committee on HIGHER EDUCATION.	<a href="#">Bill Text</a>
AB 2359	Covered loans, assignee liability	Jones	Ensures that any agreement between (a) a broker, trustee, or mortgagee or their agents, beneficiaries, or assigns and (b) a borrower or applicant for a loan that purports to waive any rights, remedies, obligations, or procedures under California law regarding a high-cost loan, subprime loan, or nontraditional mortgage is a matter of voluntary consent and not coercion.	BANKING & FINANCE committee, Assembly third hearing.	<a href="#">Bill Text</a>
AB 2740	Residential mortgage loan servicers	Brownley	This bill requires that a mortgage servicer make a duty of good faith and fair dealing to a borrower. The bill would regulate the fees and charges that may be imposed by a mortgage service. The bill would establish various other prohibited acts and requirements applicable to mortgage servicers, including, among other things, requiring a mortgage servicer to respond within 10 days to a borrower's request for information and for dispute resolution.	Re-referred to APPROPRIATIONS committee. Hearing 5/07/08	<a href="#">Bill Text</a>
SB 840	Single-payer health care coverage	Kuehl	This bill transforms the healthcare system in California from largely based on employer-provided coverage to one based on a single-payer state agency that would negotiate and pay for health care services for all Californians.	07/2007 Read second time. Amended. Re-referred to APPROPRIATIONS committee.	<a href="#">Bill Text</a>

<b>2007-2008 Asset Policy Inventory</b>					
<b>Chaptered Bills</b>					
<b>Accumulation</b>					
Bill #	Bill Name	Sponsor	Description	Status	Source
AB 12	Adult Health Coverage Expansion Program	Beall	Would create the Adult Health Coverage Expansion Program in Santa Clara County which would be administered by a county or local initiative.	Chaptered	<a href="#">Bill Text</a>
AB 1078	CalWORKs: eligibility: income and assets	Lieber	This bill would remove perverse penalties for investing in retirement accounts, individual development accounts (IDA), restricted savings accounts for education, homeownership, or starting small businesses. It encourages and helps CalWORKs applicants and clients to invest some or all of their EITC rebates, or any other funds they are able to save, allowing them to build productive assets.	Chaptered	<a href="#">Bill Text</a>
AB 650	Personal income taxes: earned income tax credit: notification	Lieu	Requires employers to notify employees that they may qualify for the federal earned income tax credit (EITC).	Chaptered	<a href="#">Bill Text</a>
AB 910	Disabled persons: support and health care coverage	Karnette	Privately-purchased health coverage for children with mental or physical disabilities would not end at a certain age.		
<b>Leveraging</b>					
Bill #	Bill Name	Sponsor	Description	Status	Source
SB 753	Mobile homes and manufactured homes: purchase		Expands affordable housing in California by providing access to loans for families living in mobile or manufactured homes, allowing them to one day own the land underneath them.	Chaptered	<a href="#">Bill Text</a>
AB 7	Armed service members: consumer loans	Lieu	Provides specified federal protections for members of the military and their families under the California Finance Lenders Law (CFLL) and California Deferred Deposit Transaction Law (CDDTL) and would provide that decisions by these licensees not to lend to members of the military would not subject those licensees to violations of the Military and Veterans Code.	Chaptered	<a href="#">Bill Text</a>
<b>Preservation</b>					
Bill #	Bill Name	Sponsor	Description	Status	Source
<b>Creation</b>					
Bill #	Bill Name	Sponsor	Description	Status	Source

## Vetoed Bills

<b>Accumulation</b>					
Bill #	Bill Name	Sponsor	Description	Status	Source
AB 1382	Public social services: CalWORKs and food stamp program	Leno	Increase access to food assistance by reducing burdensome bureaucratic barriers. AB 1382 repeals the current requirement that applicants and recipients of food stamps submit to "fingerprint imaging" as a condition of eligibility, unless they also apply for or receive county general assistance. Eliminating this requirement could save the state an estimated \$225,000 in administrative costs.	01/08 Vetoed	<a href="#">Bill Text</a>
AB 150	California Financial literacy Initiative	Lieu	This bill would establish the California Financial Literacy Initiative to improve financial literacy by offering resources to teachers and parents. Grades K-12. Would be managed by the superintendent.	01/08 Vetoed	<a href="#">Bill Text</a>
AB 1113	Medi-Cal: eligibility	Brownley	Extends the Medi-cal California Working Disabled Program and increases eligibility for the program.	01/08 Vetoed	<a href="#">Bill Text</a>
AB 8	Health Care	Nunez	Requires all businesses to offer health and employees to take it. Creates a state cooperative to purchase health insurance. Expands MediCal/healthy families and ensures all children under 300% FPL are eventually childless adults.	2/07 Vetoed	<a href="#">Bill Text</a>
<b>Leveraging</b>					
Bill #	Bill Name	Sponsor	Description	Status	Source
<b>Preservation</b>					
Bill #	Bill Name	Sponsor	Description	Status	Source
<b>Creation</b>					
Bill #	Bill Name	Sponsor	Description	Status	Source

## Inactive Bills

<b>Accumulation</b>					
Bill #	Bill Name	Sponsor	Description	Status	Source
SB 752	The Kids Investment and Development Savings (KIDS)	Steinberg, Dutton (dropped)	The Kids Investment and Development Savings (KIDS) Accounts seeds every California-born child with an initial deposit of \$500, these accounts would grow with contributions from children, their parents, community organizations, or others. After turning 18 years old s/he could apply the KIDS Account funds to pay for college or career technical education, a down payment of a first home, or retirement.	Inactive, Sponsors dropped support.	<a href="#">Bill Text</a>

AB 21	State Earned Income Tax Credit (EITC)	Jones	This bill would create a refundable state Earned Income Tax Credit (EITC) to reward work by providing a tax refund of up to 15% of the federal EITC to low-wage working families. A refundable state EITC would ensure that California's working families have a better chance out of existing poverty.	2/08 From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
SB 25	Income tax: health savings account	Maldonado	This bill makes California's tax laws conform to federal tax laws regarding Health Savings Accounts (HSAs). California taxpayers are currently being doubly penalized for having an HSA: they are taxed for their HSA and California law also penalizes them for getting a tax break from the federal government. Under the 2003 federal law that created HSAs, people can open up savings accounts and invest thousands of dollars annually to pay for qualified health care expenses, such as co-payments for medical services and drug prescriptions, for themselves and their families. "	2/08 Returned to Secretary of Senate pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
AB 1422	Housing: downpayment assistance	Davis	Establishes the Home Down Payment Assistance Agency for the purpose of administering a program that solicits non-tax-deductible contributions from private interests to fund downpayment assistance grants for grant applicants under the program.	02/08 From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
SB 199	Income and corporation taxes: credit: health	Harman	Creates a tax credit for taxpayers that provide health insurance for their employees	02/08 Returned to Secretary of Senate pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
AB 989	Personal income and corporation tax: Credits: Health savings accounts	Garrick	Allows a credit equal to 100% of the contributions made to a Health Savings Account (HSA). AB 989 is intended to ease the restrictions on contributions to HSAs by allowing a tax credit on contributions to any HSA.	02/08 From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
AB 84	Personal income tax: Deduction: Health savings account	Nakanishi	Conforms to federal tax law with respect to health savings accounts (HSAs). This bill allows eligible individuals to claim a deduction related to their contributions to HSAs in computing adjusted gross income.	02/08 from committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
AB 142	Income tax: health savings account	Plescia	Conforms to federal tax law with respect to health savings accounts (HSAs). This bill would allow a deduction in connection with health savings accounts in conformity with federal law.	02/08 From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>

AB 245	Income tax: health savings account	DeVore	Conforms to federal tax law with respect to health savings accounts (HSAs). Allows eligible individuals to claim a deduction related to their contributions to HSAs in computing adjusted gross income.	02/08 From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
AB 1377	Employee health benefits: health savings accounts.	Nakanishi	Requires the California Public Employees' Retirement System (CalPERS) Board of Administration to offer a health savings account (HSA) option to all employees and annuitants beginning January 1, 2009, and to approve, in addition to the basic health benefits plans, at least one high deductible health plan.	02/08 From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
AB 2292	Income tax: health savings account	Garrick	Conforms to federal tax law with respect to health savings accounts (HSAs). This bill would allow a deduction in connection with health savings accounts in conformity with federal law.	Hearing scheduled for 04/28/08	<a href="#">Bill Text</a>
AB 84	Personal income tax: Deduction: Health savings account	Nakanishi	Conforms to federal tax law with respect to health savings accounts (HSAs). This bill allows eligible individuals to claim a deduction related to their contributions to HSAs in computing adjusted gross income.	02/08 from committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
AB 142	Income tax: health savings account	Plescia	Conforms to federal tax law with respect to health savings accounts (HSAs). This bill would allow a deduction in connection with health savings accounts in conformity with federal law.	02/08 From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
AB 245	Income tax: health savings account	DeVore	Conforms to federal tax law with respect to health savings accounts (HSAs). Allows eligible individuals to claim a deduction related to their contributions to HSAs in computing adjusted gross income.	02/08 From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.	<a href="#">Bill Text</a>
AB 1693	The Refunds to Savings Act	Eng	This measure aims to make it easier for Californians to save their tax refunds, for many their best source of saveable dollars. This bill amends the state income tax form to allow filers to purchase savings bonds with a portion of their refund. Providing another opportunity for California's families to save and build a personal safety net or a latter to social mobility.	From committee: Filed with the Chief Clerk pursuant.	<a href="#">Bill Text</a>
<b>Leveraging</b>					
<b>Bill #</b>	<b>Bill Name</b>	<b>Sponsor</b>	<b>Description</b>	<b>Status</b>	<b>Source</b>
<b>Preservation</b>					
			<b>Description</b>		

AB 1538	Housing Trust Fund: home loan refinance assistance	Lieu	Allows the California Housing Finance Agency to accept donations into the California Housing Trust Fund from public or private sources for the purpose of assisting homeowners to refinance home loans with variable interest rates, under specified circumstances, into stable, fixed rate loan products.	02/08 From committee: Filed with the Chief Clerk pursuant to Joint Rule 56	<a href="#">Bill Text</a>
AB 1534	Deferred deposit transactio	Nunez	This bill would require the Department of Corporations to conduct a study to see who the payday lending industry targets for their services.	5/08 Inactive file on motion of Senator Perata.	<a href="#">Bill Text</a>
<b>Creation</b>					
			<b>Description</b>		