



OFFICE OF THE GOVERNOR

SEP 22 2025

To the Members of the California State Assembly:

I am signing Assembly Bill 238, which requires mortgage servicers to provide up to 12 months of forbearance to borrowers experiencing financial hardship due to the January 2025 Los Angeles firestorm.

This bill is a welcome expansion of the forbearance agreements my Administration secured earlier this year with major national lenders, as well as over 400 state-chartered financial institutions, to offer mortgage relief to LA firestorm victims. In particular, this bill requires mortgage servicers to honor forbearance requests, subject to applicable conditions, and ensures that the same requirements apply even if a loan is transferred or sold to a new servicer or investor. Under this bill, if a loan is transferred or sold during the required forbearance period, the borrower remains entitled to forbearance, and any denial of forbearance following a sale or transfer must be consistent with the terms of this bill.

Sincerely,

Gavin Newsom