SENATE BILL REPORT
SB 5831

As of January 21, 2026

Title: An act relating to the uniform mortgage modification act.

Brief Description: Enacting the uniform mortgage modification act.

Sponsors: Senators Dozier, Pedersen, Kauffman, Nobles, Riccelli, Shewmake and Wilson, J.; by request of Uniform Law Commission.

Brief History:
Committee Activity: Business, Trade & Economic Development: 1/21/26.

Brief Summary of Bill

- Adopts the Uniform Mortgage Modification Act.
- Defines and specifies common mortgage modifications.
- Clarifies that as a matter of law, for specified modifications, the mortgage continues to secure the obligation, and retains its priority.

SENATE COMMITTEE ON BUSINESS, TRADE & ECONOMIC DEVELOPMENT

Staff: William Bridges (786-7312)

Background: Mortgage and Mortgage Modifications. A mortgage is an agreement creating an interest in real property to secure a debt or other obligation. Under Washington's Mortgage Broker Practices Act, a residential mortgage loan modification means a change to one or more of a residential mortgage loan's terms or conditions, such as forbearances, repayment plans, or loan terms.

A mortgage secures the original obligation, and its priority determines which mortgage loan is first to get paid over other liens if the property is subject to foreclosure. The general rule of priority is the first mortgage publicly recorded gets priority of payment before secured

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This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

interests recorded later. There is no state law addressing how mortgage modification affects the security or priority of a mortgage, which sometimes results in litigation.

National Conference of Commissioners on Uniform State Laws. Established in 1892, the Uniform Law Commission is a nonpartisan, volunteer organization that researches, drafts, and promotes enactment of uniform state laws in areas where uniformity is desirable and practical. Commissioners are lawyers, qualified to practice law, who have been appointed by their respective states. In Washington, the Governor appoints up to four commissioners. The Code Reviser is also a commissioner.

Washington has adopted 76 uniform laws recommended by the Uniform Law Commission.

Uniform Mortgage Modification Act. Promulgated by the Uniform Law Commission in 2024, the Uniform Mortgage Modification Act (UMMA) intends to clarify and simplify the law governing mortgage modifications. As of 2025, it has been adopted in Utah and Nevada and has been introduced in Wyoming, Missouri, West Virginia, and the District of Columbia.

Summary of Bill: Adopting the Uniform Mortgage Modification Act. The UMMA applies to mortgage modifications made on or after the effective date of the act regardless of when the mortgage was created.

Defining Terms. Various terms are defined. For example, mortgage means an agreement creating a consensual interest in real property to secure payment or performance of an obligation regardless of how the agreement is named. It does not include agreements to secure the payment of dues, fees, or assessments to condominium associations, owners' associations, or cooperative housing associations. Modification includes change, amendment, revision, correction, addition, supplementation, elimination, waiver, and restatement. Mortgage modification means the modification of a mortgage; or an agreement that creates an obligation, including a promissory note, loan agreement, or credit agreement; or an agreement that creates other security or credit enhancement for an obligation, including an assignment of leases or rents or a guaranty.

Describing the Effect of Mortgage Modifications. For specified types of common modifications, it is established as a matter of law that:

- the mortgage continues to secure the obligation as modified;
- the priority of the mortgage is not affected by the modification;
- the mortgage retains its priority regardless of whether a record of the mortgage modification is recorded as provided in the state recording laws; and
- the modification is not a novation, where all parties to a contract agree to substitute a new contract or a new party for an old one.

Specifying the Types of Common Modifications. Specified common modifications are as follows:

- extending the maturity date of an obligation;
- decreasing the interest rate of an obligation;
- changing certain methods of calculating interest;
- capitalizing unpaid interest or other unpaid monetary obligation;
- forgiving, forbearing, or reducing principal, accrued interest, or other monetary obligation;
- modifying a requirement for maintaining an escrow or reserve account for payment of an obligation, including taxes and insurance premiums;
- modifying a requirement for acquiring or maintaining insurance;
- modifying an existing condition to advance funds;
- modifying a financial covenant; and
- modifying the payment amount or schedule resulting from another specified modification.

Specifying Exceptions. The UMMA does not apply to the following laws governing:
- the required content of a mortgage;
- the statute of limitations terminating the right to enforce an obligation or a mortgage;
- recording;
- the priority of a tax lien or other governmental lien;
- the statute of frauds or the Uniform Electronic Transaction Act; and
- the priority of a future advance.

The UMMA does not apply to certain modifications, such as:
- the release of, or addition to, property encumbered by a mortgage;
- the release of, addition of, or other change in an obligor; or
- the assignment or other transfer of a mortgage or an obligation.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill removes legal uncertainty around mortgage modifications. Lessens costs and advances protections for home owners and businesses by providing predictability. Codifies provisions that already exist in the common law.

Persons Testifying: PRO: Senator Perry Dozier, Prime Sponsor; Jane Sternecky, Uniform Law Commission.

Persons Signed In To Testify But Not Testifying: No one.