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## Title Industry Updates For 2026

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## JADU Amendment

- The single-family residence with a JADU only has to be owner occupied if the JADU shares sanitation facilities with the existing structure.
- The JADU if rented will have to be rented for a term of 30 days or longer
- There are several technical and conforming changes to rules governing ADUs and JADUs

Chapter 507 (AB 1154 - Carrillo) & Chapter 520 (SB 543 - McNehey)

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## Subordinate Mortgage Foreclosure

This act makes certain conduct by a mortgage service an unlawful practice:

- No written communication regarding the loan for 3 years
- Failure to provide a transfer of loan servicing notice or transfer of loan ownership to borrower when required
- Conducting or threatening to conduct a foreclosure sale after providing the borrower with a form indicating the debt was written off, or discharged

*Chapter 22 (AB 130 - Committee on Budget)*

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## Subordinate Mortgage Foreclosure Cont'd

This act makes certain conduct by a mortgage service an unlawful practice:

- Conducting or threatening to conduct a foreclosure sale after the applicable statute of limitations expired
- The mortgage servicer failed to provide a periodic account statement to the borrow when required to by law (including federal Truth in Lending Act)

*Chapter 22 (AB 130 - Committee on Budget)*

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## County Recorder Notification Program

- Authorizes a county recorder to enact a recorded document notification program to notify property owners of documents recorded within 30 days
- Requires all counties to have such a program by January 1, 2027
- Authorizes the county to establish an electronic notification program
- LA County is exempt because both already exist in LA County

*Chapter 351 (SB 255 - Seyarto)*

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**California Public Records Act Exemption**

Expanded to define "elected or appointed official" to include:

- Retired judges and court commissioners
- Active or retired judges of the State Bar Court
- Retired federal judges, defenders and judges in federally recognized Indian tribes
- Appointees of a court to serve as children's counsel in a family or dependency proceeding

Chapter 142 (AB 343 - Pacheco)

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**Misc**

- Coastal Commission to designate infill areas where low-moderate income units will not require California Coastal Commission permit
- Mobilehome parks cannot restrict or prevent a homeowner or resident from installing or upgrading a cooling system
- Rules, regulations, and timelines for applications for reconstruction of units destroyed/damaged by disasters
- Multi Unit properties (Incl Condos) must provide the inspection report and other documentation pursuant to the elevated exterior elements requirements

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## Misc

- Diacritical Marks (accent marks) can be amended on certificates of death, birth, marriage, etc. based on amendments that take affect July 1, 2026.
- AB 565 - Dixon (repealing and adding Section 15804 of probate code) establishes statutory virtual representation like (47 other states). Allows individuals with substantially identical interest to receive notice, represent and bind another individual (**M**inor/**I**ncapacitated/**U**nborn/**U**nknown, MIUUs)

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## Note Worthy Cases

- HOAs must abide by the new foreclosure postponement rules (AB 2424)  
Bird Rock Home Mortgage, LLC v Breaking Ground, LP (2025) 114 Cal.App.5th 492
- Permit conditions survive foreclosure  
Rodriguez v. City of Los Angeles B337221 (Second Appellate District, Nov. 26, 2025)
- Petition to set aside amendment (remove trustee) supports lis pendens Newell v. Superior Court (2024) 107 Cal.App.5th 728
- Wire fraud loss—personal injury payment  
Thomas v. Corbyn Restaurant Development Corp. (2025) 111 Cal.App.5th 439

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## Property Tax Reassessments

Reassessment is coming (sometimes 18 mos. to 2 yrs. later)

- Inform the assessor within 150 days of DOD (or at time of I&A)
- The assessor will want to reassess the property at DOD
- Prop 19 exception paperwork filed after 1 year may incur increased taxes from the DOD to date filed (or may be denied)
- File Prop 13 paperwork if applicable

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