

2020 BUDGET MESSAGE
PUBLIC TRUSTEE FOR MESA COUNTY

Mesa County Public Trustee Mike Moran and Chief Deputy Public Trustee Amanda Seaver continued to operate efficiently in 2019, and the Public Trustee office was thus able to give Mesa County thousands of dollars during the year, in addition to the thousands of dollars the Public Trustee office paid the county for lease payments, mail charges, and recording of documents. Mike Moran's efforts during his entire time as Public Trustee have benefited the county by hundreds of thousands of dollars.

Mike Moran was appointed to be Public Trustee in 2012 by Colorado Governor John Hickenlooper, and was re-appointed in 2015 and in 2019. The Office of Public Trustee will become part of the county Treasurer's office starting July 1, 2020, so the independent budget submitted by the Public Trustee for 2020 is only for the first six months of the year.

The Public Trustee for Mesa County has, since 1894, been dedicated to protecting the rights of borrowers, lenders, and lienholders. The Office was created in response to abuses of Coloradans' property rights during the Panic of 1893, and continues in this mission to this day.

Colorado is unique in the United States in having an accessible public official assigned by law to protect borrowers' rights during the foreclosure process; lenders are able to hire attorneys to assure that their rights to foreclose are respected. In other states, a borrower would either need to work through the courts at great expense, or try to work with a Private Trustee hired by the bank.

From 2012 through 2019, the Mesa County Public Trustee's Office has not been funded by tax dollars. Instead, the Public Trustee's Office has operated exclusively from fees paid by lenders for specific tasks the office performs. These fees are set by state statute. All salaries, wages, benefits, and costs have been paid for from the task-specific fees paid by banks. Due to Mike Moran's focus on cost control, costs of operating the Public Trustee office have been less than the income of fees paid, and the surplus has been paid to the county. Due to Mike Moran and Amanda Seaver's efficiency and cost control, the Public Trustee Mike Moran has paid the county hundreds of thousands of dollars during his time as Public Trustee.

The primary duties of the Public Trustee are activated when a borrower and lender sign a Deed of Trust associated with a promise to repay a debt. In the Deed of Trust, the borrower grants the lender a lien on his or her property as security against the money being borrowed. The borrower also grants certain powers to the Public Trustee of the county in which the property is located.

When the loan is repaid or forgiven, the lender asks the Public Trustee to release the lien. The Public Trustee office ensures that the lender has properly documented this request, so the lien is effectively cleared from the owner's title. If the request is properly made, the Public Trustee executes the release and has the release recorded by the County Clerk and Recorder's office. Our fee for this Public Trustee review of a request for release of deed of trust, set by the state legislature, is \$15.00.

If a loan secured by property in Mesa County falls into default, the lender may exercise its right to demand that the Public Trustee foreclose on the secured property. The fee charged to lenders for us to administer a foreclosure is \$150.00, as set by state statute. The Public Trustee office reviews the foreclosure filing for completeness and compliance with state law, rejecting several initial filings each month. We mail notices of the sale to the borrowers, property owners, lienholders, and other interested parties, and notify them of their rights. We also notify the public of the foreclosure sale.

The Public Trustee ensures that lenders respect the borrowers' rights to cure their default before sale. After the public auction, we manage the rights of junior lienholders to redeem their interests in the sale. Finally, in the cases when an investor has purchased property for more than the amount owed, we distribute the resulting overbid to lienholders and the property owner as directed by law.

On a quarterly basis, if there is additional revenue from the statutorily-defined fees charged to lenders in excess of the Public Trustee's operating expenses, any excess revenue is given to the county.

For over seven years, Public Trustee Mike Moran has maintained an annual budget that has been in the black. This has been accomplished by keeping staffing levels at an appropriate level for the workload, and by finding other ways to cut costs. This has resulted in Mike Moran being able to pay the county hundreds of thousands of dollars during his time in office.

Aside from the income and expenses of the Public Trustee office, the office also handles a large sum of custodial, pass-through funds. On an annual basis, this includes, for example, several million dollars in money paid for properties sold at foreclosure auction. These custodial, pass-through funds are not reflected in the Public Trustee annual budget.

If there are any questions or comments about this budget, the public is invited to attend our public budget hearing on Wednesday, December 4, 2019 at 10:00 a.m. at 544 Rood Avenue, in the Public Hearing Room. You may also call the Public Trustee, Mike Moran, at (970) 254-4180 or submit written comments to Mike.Moran@mesacounty.us.

Respectfully submitted,
Mike Moran
Public Trustee for Mesa County