

HOUSE BILL 728

N1

11r1992

By: **Delegate Niemann**

Introduced and read first time: February 10, 2011

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 2011

CHAPTER _____

1 AN ACT concerning

2 **Residential Property – Foreclosure – Required Documents – Timing of**
3 **Mediation**

4 FOR the purpose of requiring a notice of intent to foreclose for an owner-occupied
5 residential property to be accompanied by an envelope addressed to a certain
6 person; requiring a notice of intent to foreclose for a property that is not an
7 owner-occupied residential property to be accompanied by a certain notice and
8 a certain telephone number; altering the documents that must accompany an
9 order to docket or complaint to foreclose a mortgage or deed of trust on
10 residential property; clarifying the documents that must be served on a
11 mortgagor or grantor in a foreclosure action on residential property under
12 certain circumstances; requiring the Commissioner of Financial Regulation to
13 prescribe by regulation a certain form and sequence for certain documents and
14 the form and content of certain other notices, forms, and supporting documents
15 that must be served on a mortgagor or grantor in a foreclosure action on
16 residential property; altering the time period within which a mortgagor or
17 grantor may file a certain request for foreclosure mediation; altering the
18 authority of the Office of Administrative Hearings to extend the time in which a
19 foreclosure mediation must be held; altering the period of time within which the
20 Office shall file a certain report; establishing that certain rules of procedure
21 relating to a failure to appear govern a foreclosure mediation conducted by the
22 Office; making stylistic changes; declaring the intent of the General Assembly;
23 providing that until the effective date of certain regulations that the
24 Commissioner is required to adopt, a copy of an order to docket or complaint to
25 foreclose served on a mortgagor or grantor in compliance with a certain law

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (ii) If there will be no loan modification, whether any other loss
2 mitigation program may be made available to the mortgagor or grantor.

3 (6) “Loss mitigation program” means an option in connection with a
4 loan secured by owner–occupied residential property that:

5 (i) Avoids foreclosure through loan modification or other
6 changes to existing loan terms that are intended to allow the mortgagor or grantor to
7 stay in the property;

8 (ii) Avoids foreclosure through a short sale, deed in lieu of
9 foreclosure, or other alternative that is intended to simplify the mortgagor’s or
10 grantor’s relinquishment of ownership of the property; or

11 (iii) Lessens the harmful impact of foreclosure on the mortgagor
12 or grantor.

13 (7) “Owner–occupied residential property” means residential property
14 in which at least one unit is occupied by an individual who:

15 (i) Has an ownership interest in the property; and

16 (ii) Uses the property as the individual’s primary residence.

17 (8) “Preliminary loss mitigation affidavit” means an affidavit that:

18 (i) Is made by a person authorized to act on behalf of a secured
19 party of a mortgage or deed of trust on owner–occupied residential property that is the
20 subject of a foreclosure action;

21 (ii) Certifies the status of an incomplete loss mitigation analysis
22 in connection with the mortgage or deed of trust; and

23 (iii) Includes reasons why the loss mitigation analysis is
24 incomplete.

25 (9) “Residential property” means real property improved by four or
26 fewer single family dwelling units that are designed principally and are intended for
27 human habitation.

28 (b) (1) Except as provided in paragraph (2) of this subsection, an action to
29 foreclose a mortgage or deed of trust on residential property may not be filed until the
30 later of:

31 (i) 90 days after a default in a condition on which the mortgage
32 or deed of trust provides that a sale may be made; or

1 (ii) 45 days after the notice of intent to foreclose required under
2 subsection (c) of this section is sent.

3 (2) (i) The secured party may petition the circuit court for leave to
4 immediately commence an action to foreclose the mortgage or deed of trust if:

5 1. The loan secured by the mortgage or deed of trust was
6 obtained by fraud or deception;

7 2. No payments have ever been made on the loan
8 secured by the mortgage or deed of trust;

9 3. The property subject to the mortgage or deed of trust
10 has been destroyed; or

11 4. The default occurred after the stay has been lifted in a
12 bankruptcy proceeding.

13 (ii) The court may rule on the petition with or without a
14 hearing.

15 (iii) If the petition is granted, the action may be filed at any time
16 after a default in a condition on which the mortgage or deed of trust provides that a
17 sale may be made and the secured party need not send the written notice of intent to
18 foreclose required under subsection (c) of this section.

19 (c) (1) Except as provided in subsection (b)(2)(iii) of this section, at least
20 45 days before the filing of an action to foreclose a mortgage or deed of trust on
21 residential property, the secured party shall send a written notice of intent to foreclose
22 to the mortgagor or grantor and the record owner.

23 (2) The notice of intent to foreclose shall be sent:

24 (i) By certified mail, postage prepaid, return receipt requested,
25 bearing a postmark from the United States Postal Service; and

26 (ii) By first-class mail.

27 (3) A copy of the notice of intent to foreclose shall be sent to the
28 Commissioner of Financial Regulation.

29 (4) The notice of intent to foreclose shall:

30 (i) Be in the form that the Commissioner of Financial
31 Regulation prescribes by regulation; and

32 (ii) Contain:

- 1 1. The name and telephone number of:
 - 2 A. The secured party;
 - 3 B. The mortgage servicer, if applicable; and
 - 4 C. An agent of the secured party who is authorized to
5 modify the terms of the mortgage loan;
- 6 2. The name and license number of the Maryland
7 mortgage lender and mortgage originator, if applicable;
- 8 3. The amount required to cure the default and reinstate
9 the loan, including all past due payments, penalties, and fees;
- 10 4. A statement recommending that the mortgagor or
11 grantor seek housing counseling services;
- 12 5. The telephone number and the Internet address of
13 nonprofit and government resources available to assist mortgagors and grantors facing
14 foreclosure, as identified by the Commissioner of Financial Regulation;
- 15 6. An explanation of the Maryland foreclosure process
16 and time line, as prescribed by the Commissioner of Financial Regulation; and
- 17 7. Any other information that the Commissioner of
18 Financial Regulation requires by regulation.

19 (5) ~~The~~ **FOR AN OWNER-OCCUPIED RESIDENTIAL PROPERTY, THE**
20 notice of intent to foreclose shall be accompanied by:

- 21 (i) A loss mitigation application:
 - 22 1. For loss mitigation programs that are applicable to
23 the loan secured by the mortgage or deed of trust that is the subject of the foreclosure
24 action; or
 - 25 2. If the secured party does not have its own loss
26 mitigation application, in the form prescribed by the Commissioner of Financial
27 Regulation;
- 28 (ii) Instructions for completing the loss mitigation application
29 and a telephone number to call to confirm receipt of the application;
- 30 (iii) A description of the eligibility requirements for the loss
31 mitigation programs offered by the secured party that may be applicable to the loan

1 secured by the mortgage or deed of trust that is the subject of the foreclosure action;
2 and

3 (iv) An envelope ~~preprinted with the address of~~ **ADDRESSED TO**
4 the person responsible for conducting loss mitigation analysis on behalf of the secured
5 party for the loan secured by the mortgage or deed of trust that is the subject of the
6 foreclosure action.

7 **(6) FOR A PROPERTY THAT IS NOT AN OWNER-OCCUPIED**
8 **RESIDENTIAL PROPERTY, THE NOTICE OF INTENT TO FORECLOSE SHALL BE**
9 **ACCOMPANIED BY:**

10 **(I) A WRITTEN NOTICE OF THE DETERMINATION THAT THE**
11 **PROPERTY IS NOT OWNER-OCCUPIED RESIDENTIAL PROPERTY; AND**

12 **(II) A TELEPHONE NUMBER TO CALL TO CONTEST THAT**
13 **DETERMINATION.**

14 (d) An order to docket or a complaint to foreclose a mortgage or deed of trust
15 on residential property shall:

16 (1) Include:

17 (i) If applicable, the license number of:

18 1. The mortgage originator; and

19 2. The mortgage lender; and

20 (ii) An affidavit stating:

21 1. The date on which the default occurred and the
22 nature of the default; and

23 2. If applicable, that a notice of intent to foreclose was
24 sent to the mortgagor or grantor in accordance with subsection (c) of this section and
25 the date on which the notice was sent; and

26 (2) Be accompanied by:

27 (i) The original or a certified copy of the mortgage or deed of
28 trust;

29 (ii) A statement of the debt remaining due and payable
30 supported by an affidavit of the plaintiff or the secured party or the agent or attorney
31 of the plaintiff or secured party;

1 (iii) A copy of the debt instrument accompanied by an affidavit
2 certifying ownership of the debt instrument;

3 (iv) If applicable, the original or a certified copy of the
4 assignment of the mortgage for purposes of foreclosure or the deed of appointment of a
5 substitute trustee;

6 (v) If any defendant is an individual, an affidavit that:

7 ~~1. The individual is not a servicemember, as defined in~~
8 ~~the Servicemembers Civil Relief Act, 50 U.S.C. Appendix § 511; or~~

9 ~~2. The action is authorized by~~ **IS IN COMPLIANCE WITH**
10 **§ 521 OF the SERVICEMEMBERS CIVIL RELIEF Act, 50 U.S.C. APPENDIX § 511**
11 **APP. § 501 ET SEQ.;**

12 (vi) If applicable, a copy of the notice of intent to foreclose;

13 (vii) In addition to any other filing fees required by law, a filing
14 fee in the amount of \$300; **AND**

15 (viii) **[Subject to subsection (e) of this section:]**

16 1. If the loss mitigation analysis has been completed
17 **SUBJECT TO SUBSECTION (E) OF THIS SECTION**, a final loss mitigation affidavit in
18 the form prescribed by regulation adopted by the Commissioner of Financial
19 Regulation; and

20 2. If the loss mitigation analysis has not been
21 completed[;

22 A. **A]**, A preliminary loss mitigation affidavit in the form
23 prescribed by regulation adopted by the Commissioner of Financial Regulation[;

24 B. The loss mitigation application and a description of
25 the eligibility requirements for loss mitigation programs offered by the secured party
26 as described in subsection (c)(5) of this section;

27 C. Instructions for completing the loss mitigation
28 application, including instructions to return the completed application to the attorney
29 handling the foreclosure; and

30 D. An envelope preprinted with the address of the
31 attorney handling the foreclosure;

1 (ix) A notice to the mortgagor or grantor in substantially the
2 following form, as prescribed by regulation by the Commissioner of Financial
3 Regulation:

4 “NOTICE

5 An action to foreclose the mortgage/deed of trust on the property located at
6 (insert address) has been filed in the Circuit Court for (county).

7 A foreclosure sale of the property may occur at any time after 45 days from the
8 date that this notice is served on you.

9 You may stop the sale and reinstate your mortgage loan by paying all amounts
10 due on your loan, plus fees and costs of the foreclosure action, at any time up to one
11 business day before the sale. Please contact (insert name of authorized agent of
12 secured party) at (insert telephone number) to obtain the amount due to cure the
13 default on your mortgage loan and instructions for delivering the payment.

14 If you own and live in the home that is subject to foreclosure, your lender may
15 be required to conduct an analysis of your loan to see if you qualify for a loan
16 modification or some other loss mitigation. You must apply and provide your lender
17 with specific information as part of this analysis. The results of your lender’s analysis
18 of your loan will be provided to you in the form of an affidavit submitted to the court.

19 If your lender determines that you are not eligible for any loan modification or
20 other relief, you have the right to file a request with the court and have foreclosure
21 mediation. This will be a conference with you, someone representing your lender, and
22 a neutral third party to discuss your loan and possible options. To request foreclosure
23 mediation, you must complete the Request for Foreclosure Mediation form that will
24 accompany the lender’s final loss mitigation affidavit and mail it to the court and the
25 lender’s foreclosure attorney within 15 days after receipt. If you file a Request for
26 Foreclosure Mediation, your property cannot go to sale until at least 15 days after your
27 mediation has been held.

28 You are urged to obtain legal advice and the assistance of a housing counselor to
29 discuss possible loss mitigation programs, foreclosure mediation, and other options to
30 stop the foreclosure sale.

31 If you are interested in selling your home to avoid a foreclosure sale, you may
32 wish to contact a licensed real estate broker or salesperson as soon as possible.

33 Housing counseling and financial assistance programs are available through the
34 Maryland Department of Housing and Community Development. Please call (insert
35 telephone number) for information on available resources.

36 Some people may approach you about “saving” your home. You should be careful
37 about any such promises.

1 The State encourages you to become informed about your options in foreclosure
2 before entering into any agreements with anyone in connection with the foreclosure of
3 your home. There are government agencies and nonprofit organizations that you may
4 contact for helpful information about the foreclosure process. For the name and
5 telephone number of an organization near you, please call the Consumer Protection
6 Division of the Office of the Attorney General of Maryland at (insert telephone
7 number). The State does not guarantee the advice of these organizations.

8 DO NOT DELAY DEALING WITH THE FORECLOSURE BECAUSE YOUR
9 OPTIONS WILL BECOME MORE LIMITED AS TIME PASSES.”; and

10 (x) If the order to docket or complaint to foreclose concerns
11 owner-occupied residential property and is accompanied by a final loss mitigation
12 affidavit:

13 1. A request for foreclosure mediation in the form
14 prescribed by regulation adopted by the Commissioner of Financial Regulation; and

15 2. An envelope preprinted with the address of the clerk
16 of the court; and

17 3. An envelope preprinted with the address of the
18 foreclosure attorney].

19 (e) Only for purposes of a final loss mitigation affidavit that is filed with an
20 order to docket or complaint to foreclose, a loss mitigation analysis is not considered
21 complete if the reason for the denial or determination of ineligibility is due to the
22 inability of the secured party to:

23 (1) Establish communication with the mortgagor or grantor; or

24 (2) Obtain all documentation and information necessary to conduct the
25 loss mitigation analysis.

26 (f) (1) A copy of the order to docket or complaint to foreclose on
27 residential property and all other papers filed with it **IN THE FORM AND SEQUENCE**
28 **AS PRESCRIBED BY REGULATIONS ADOPTED BY THE COMMISSIONER OF**
29 **FINANCIAL REGULATION, ACCOMPANIED BY THE DOCUMENTS REQUIRED**
30 **UNDER PARAGRAPHS (2), (3), AND (4) OF THIS SUBSECTION, shall be served ON**
31 **THE MORTGAGOR OR GRANTOR** by:

32 (i) Personal delivery of the papers to the mortgagor or grantor;
33 or

34 (ii) Leaving the papers with a resident of suitable age and
35 discretion at the mortgagor’s or grantor’s dwelling house or usual place of abode.

1 **(2) THE SERVICE OF ~~PROCESS~~ DOCUMENTS UNDER PARAGRAPH**
2 **(1) OF THIS SUBSECTION SHALL BE ACCOMPANIED BY A SEPARATE, CLEARLY**
3 **MARKED NOTICE, IN THE FORM PRESCRIBED BY REGULATION ADOPTED BY THE**
4 **COMMISSIONER OF FINANCIAL REGULATION, THAT STATES:**

5 **(I) THE SIGNIFICANCE OF THE ORDER TO DOCKET OR A**
6 **COMPLAINT TO FORECLOSE; AND**

7 **(II) THE OPTIONS FOR THE MORTGAGOR OR GRANTOR TO**
8 **TAKE, INCLUDING HOUSING COUNSELING AND FINANCIAL ASSISTANCE**
9 **RESOURCES THE MORTGAGOR OR GRANTOR MAY CONSULT.**

10 **(3) IF THE ORDER TO DOCKET OR COMPLAINT TO FORECLOSE IS**
11 **ACCOMPANIED BY A PRELIMINARY LOSS MITIGATION AFFIDAVIT, THE SERVICE**
12 **OF ~~PROCESS~~ DOCUMENTS UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL**
13 **BE ACCOMPANIED BY A LOSS MITIGATION APPLICATION FORM AND ANY OTHER**
14 **SUPPORTING DOCUMENTS AS PRESCRIBED BY REGULATION ADOPTED BY THE**
15 **COMMISSIONER OF FINANCIAL REGULATION.**

16 **(4) IF THE ORDER TO DOCKET OR COMPLAINT TO FORECLOSE IS**
17 **ACCOMPANIED BY A FINAL LOSS MITIGATION AFFIDAVIT AND CONCERNS**
18 **OWNER-OCCUPIED RESIDENTIAL PROPERTY, THE SERVICE OF ~~PROCESS~~**
19 **DOCUMENTS UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE**
20 **ACCOMPANIED BY A REQUEST FOR FORECLOSURE MEDIATION FORM AND ANY**
21 **OTHER SUPPORTING DOCUMENTS AS PRESCRIBED BY REGULATION ADOPTED BY**
22 **THE COMMISSIONER OF FINANCIAL REGULATION.**

23 **[(2)] (5)** If at least two good faith efforts to serve the mortgagor or
24 grantor under paragraph (1) of this subsection on different days have not succeeded,
25 the plaintiff may effect service by:

26 (i) Filing an affidavit with the court describing the good faith
27 efforts to serve the mortgagor or grantor; and

28 (ii) 1. Mailing a copy of [the order to docket or complaint to
29 foreclose and all other papers filed with it] **ALL THE DOCUMENTS REQUIRED TO BE**
30 **SERVED UNDER PARAGRAPH (1) OF THIS SUBSECTION** by certified mail, return
31 receipt requested, and first-class mail to the mortgagor's or grantor's last known
32 address and, if different, to the address of the residential property subject to the
33 mortgage or deed of trust; and

34 2. Posting a copy of [the order to docket or complaint to
35 foreclose and all other papers filed with it] **ALL THE DOCUMENTS REQUIRED TO BE**

1 **SERVED UNDER PARAGRAPH (1) OF THIS SUBSECTION** in a conspicuous place on
2 the residential property subject to the mortgage or deed of trust.

3 ~~[(3)]~~ **(6)** The individual making service of ~~process~~ **DOCUMENTS**
4 under this subsection shall file proof of service with the court in accordance with the
5 Maryland Rules.

6 (g) (1) If the order to docket or complaint to foreclose is accompanied by a
7 preliminary loss mitigation affidavit, the secured party, at least 30 days before the
8 date of a foreclosure sale, shall:

9 (i) File with the court a final loss mitigation affidavit in the
10 form prescribed by regulation adopted by the Commissioner of Financial Regulation;
11 and

12 (ii) Send to the mortgagor or grantor by first class and by
13 certified mail:

14 1. A copy of the final loss mitigation affidavit; and

15 2. A request for foreclosure mediation form and
16 [envelopes described in subsection (d)(2)(x)] **SUPPORTING DOCUMENTS AS**
17 **PROVIDED UNDER SUBSECTION (F)(4)** of this section.

18 (2) A final loss mitigation affidavit shall be filed under this subsection
19 no earlier than 28 days after the order to docket or complaint to foreclose is served on
20 the mortgagor or grantor.

21 (h) (1) (i) In a foreclosure action on owner-occupied residential
22 property, the mortgagor or grantor may file with the court a completed request for
23 foreclosure mediation not later than:

24 1. If the final loss mitigation affidavit was delivered
25 along with service of the copy of the order to docket or complaint to foreclose under
26 subsection (f) of this section, ~~15~~ **25** days after that service on the mortgagor or grantor;
27 or

28 2. If the final loss mitigation affidavit was mailed as
29 provided in subsection (g) of this section, ~~15~~ **25** days after the mailing of the final loss
30 mitigation affidavit.

31 (ii) 1. A request for foreclosure mediation shall be
32 accompanied by a filing fee of \$50.

33 2. The court may reduce or waive the filing fee under
34 subparagraph 1 of this subparagraph if the mortgagor or grantor is eligible for a
35 reduction or waiver under the Maryland Legal Services guidelines.

1 (iii) The mortgagor or grantor shall mail a copy of the request for
2 foreclosure mediation to the secured party's foreclosure attorney.

3 (2) (i) The secured party may file a motion to strike the request for
4 foreclosure mediation in accordance with the Maryland Rules.

5 (ii) The motion to strike must be accompanied by an affidavit
6 that sets forth the reasons why foreclosure mediation is not appropriate.

7 (iii) The secured party shall mail a copy of the motion to strike
8 and the accompanying affidavit to the mortgagor or grantor.

9 (iv) There is a presumption that a mortgagor or grantor is
10 entitled to foreclosure mediation unless good cause is shown why foreclosure
11 mediation is not appropriate.

12 (3) (i) The mortgagor or grantor may file a response to the motion
13 to strike within 15 days.

14 (ii) The mortgagor or grantor shall mail a copy of the response
15 to the foreclosure attorney.

16 (iii) If the court grants the motion to strike, the court shall
17 instruct the Office of Administrative Hearings to cancel any scheduled mediation.

18 (i) (1) Within 5 days after receipt of a request for foreclosure mediation,
19 the court shall transmit the request to the Office of Administrative Hearings for
20 scheduling.

21 (2) (i) Within 60 days after transmittal of the request for
22 foreclosure mediation, the Office of Administrative Hearings shall conduct a
23 foreclosure mediation.

24 (ii) For good cause, the Office of Administrative Hearings may
25 extend the time for completing the foreclosure mediation for a period not exceeding 30
26 days **OR, IF ALL PARTIES AGREE, FOR A LONGER PERIOD OF TIME.**

27 (3) The Office of Administrative Hearings shall send notice of the
28 scheduled foreclosure mediation to the foreclosure attorney, the secured party, and the
29 mortgagor or grantor.

30 (4) The notice from the Office of Administrative Hearings shall:

31 (i) Include instructions regarding the documents and
32 information, as required by regulations adopted by the Commissioner of Financial

1 Regulation, that must be provided by each party to the other party and to the
2 mediator; and

3 (ii) Require the information and documents to be provided no
4 later than 20 days before the scheduled date of the foreclosure mediation.

5 (j) (1) At a foreclosure mediation:

6 (i) The mortgagor or grantor shall be present;

7 (ii) The mortgagor or grantor may be accompanied by a housing
8 counselor and may have legal representation;

9 (iii) The secured party, or a representative of the secured party,
10 shall be present; and

11 (iv) Any representative of the secured party must have the
12 authority to settle the matter or be able to readily contact a person with authority to
13 settle the matter.

14 (2) At the foreclosure mediation, the parties and the mediator shall
15 address loss mitigation programs that may be applicable to the loan secured by the
16 mortgage or deed of trust that is the subject of the foreclosure action.

17 (3) The Office of Administrative Hearings shall file a report with the
18 court that states the outcome of the request for foreclosure mediation within the
19 earlier of:

20 (i) ~~5~~ 7 days after a foreclosure mediation is held; or

21 (ii) The end of the 60-day mediation period specified in
22 subsection (i)(2) of this section, plus any extension granted by the Office of
23 Administrative Hearings.

24 (4) Except for a request for postponement **OR A FAILURE TO APPEAR**,
25 the rules of procedure for contested cases of the Office of Administrative Hearings do
26 not govern a foreclosure mediation conducted by the Office.

27 (k) (1) If the parties do not reach an agreement at the foreclosure
28 mediation, or the 60-day mediation period expires without an extension granted by
29 the Office of Administrative Hearings, the foreclosure attorney may schedule the
30 foreclosure sale.

31 (2) (i) Subject to subparagraphs (ii), (iii), and (iv) of this
32 paragraph, the mortgagor or grantor may file a motion to stay the foreclosure sale.

1 (ii) A motion to stay under this paragraph shall be filed within
2 15 days after:

3 1. The date the foreclosure mediation is held; or

4 2. If no foreclosure mediation is held, the date the Office
5 of Administrative Hearings files its report with the court.

6 (iii) A motion to stay under this paragraph must allege specific
7 reasons why loss mitigation should have been granted.

8 (3) Nothing in this subtitle precludes the mortgagor or grantor from
9 pursuing any other remedy or legal defense available to the mortgagor or grantor.

10 (l) A foreclosure sale of residential property may not occur until:

11 (1) If the residential property is not owner-occupied residential
12 property, at least 45 days after service of process is made under subsection (f) of this
13 section;

14 (2) If the residential property is owner-occupied residential property
15 and foreclosure mediation is not held, the later of:

16 (i) At least 45 days after service of process that includes a final
17 loss mitigation affidavit made under subsection (f) of this section; or

18 (ii) At least 30 days after a final loss mitigation affidavit is
19 mailed under subsection (g) of this section; and

20 (3) If the residential property is owner-occupied residential property
21 and foreclosure mediation is requested, at least 15 days after:

22 (i) The date the foreclosure mediation is held; or

23 (ii) If no foreclosure mediation is held, the date the Office of
24 Administrative Hearings files its report with the court.

25 (m) Notice of the time, place, and terms of a foreclosure sale shall be
26 published in a newspaper of general circulation in the county where the action is
27 pending at least once a week for 3 successive weeks, the first publication to be not less
28 than 15 days before the sale and the last publication to be not more than 1 week before
29 the sale.

30 (n) (1) The mortgagor or grantor of residential property has the right to
31 cure the default by paying all past due payments, penalties, and fees and reinstate the
32 loan at any time up to 1 business day before the foreclosure sale occurs.

1 (2) The secured party or an authorized agent of the secured party
2 shall, on request, provide to the mortgagor or grantor or the mortgagor's or grantor's
3 attorney within a reasonable time the amount necessary to cure the default and
4 reinstate the loan and instructions for delivering the payment.

5 (o) An action for failure to comply with the provisions of this section shall be
6 brought within 3 years after the date of the order ratifying the sale.

7 (p) Revenue collected from the filing fees required under subsections
8 (d)(2)(vii) and (h)(1)(ii) of this section shall be distributed to the Housing Counseling
9 and Foreclosure Mediation Fund established under § 4-507 of the Housing and
10 Community Development Article.

11 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
12 General Assembly that the notices, forms, and supporting documents that the
13 Commissioner of Financial Regulation is required to prescribe by regulation under this
14 Act shall have a format and content that is no less stringent or detailed than that
15 which is required by statute before the effective date of this Act.

16 SECTION 3. AND BE IT FURTHER ENACTED, That, until the effective date
17 of regulations that the Commissioner of Financial Regulation is required to adopt
18 under § 7-105.1(f) of the Real Property Article, as enacted by Section 1 of this Act, a
19 copy of the order to docket or complaint to foreclose served on a mortgagor or grantor
20 in compliance with Maryland law in effect immediately preceding the effective date of
21 this Act shall be deemed to be in compliance with § 7-105.1(f) of the Real Property
22 Article, as enacted by Section 1 of this Act.

23 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
24 effect June 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.