

HOUSE BILL 1021

N1, D3
HB 1035/08 – ENV

~~EMERGENCY BILL~~

4lr0577

By: **Prince George's County Delegation**

Introduced and read first time: February 6, 2014

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 1, 2014

CHAPTER _____

1 AN ACT concerning

2 **Prince George's County – Foreclosure – ~~Subprime Mortgages – Moratorium~~**
3 **Report by Department of Housing and Community Development and**
4 **Commissioner of Financial Regulation**

5 PG 411-14

6 FOR the purpose of ~~prohibiting a creditor from maintaining suit in an action to~~
7 ~~foreclose a certain mortgage on residential real property in Prince George's~~
8 ~~County under certain circumstances; establishing that a certain creditor may be~~
9 ~~liable for certain damages under certain circumstances; defining certain terms;~~
10 ~~providing for the application of this Act; making this Act an emergency~~
11 ~~measure; providing for the termination of this Act; and generally relating to~~
12 ~~imposing a moratorium on the foreclosure of certain subprime mortgages~~
13 ~~requiring the Department of Housing and Community Development and the~~
14 ~~Commissioner of Financial Regulation to conduct certain analyses based on the~~
15 ~~available data of certain foreclosure trends for residential real property in~~
16 ~~Prince George's County; requiring the Department and the Commissioner to~~
17 ~~report the Department's and the Commissioner's findings to certain committees~~
18 ~~and certain delegations of the General Assembly on or before a certain date; and~~
19 ~~generally relating to foreclosures on residential real property in Prince George's~~
20 ~~County.~~

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That:

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 (a) The Department of Housing and Community Development and the
 2 Commissioner of Financial Regulation shall conduct the following analyses based on
 3 the available data:

4 (1) foreclosure trends for residential real property since 2007, at both
 5 county and zip code levels, in order to identify the communities hardest hit by the
 6 foreclosure crisis in Prince George's County;

7 (2) short-term and long-term delinquency trends for residential real
 8 property since 2007, at both county and zip code levels, in order to identify at-risk
 9 communities in Prince George's County;

10 (3) housing market trends at the county level, including home sales,
 11 median home sales price, inventory, months' supply, housing affordability, and
 12 residential construction, in order to evaluate the impact of high foreclosure rates on
 13 the housing market recovery in Prince George's County; and

14 (4) trends in the average period that residential real property in
 15 Prince George's County is in default prior to the issuance of a notice of intent to
 16 foreclose, based on zip code and loan servicer.

17 (b) On or before December 31, 2014, the Department and the Commissioner
 18 shall report the Department's and the Commissioner's findings, in accordance with §
 19 2-1246 of the State Government Article, to the Senate Judicial Proceedings
 20 Committee, the House Environmental Matters Committee, and the Prince George's
 21 County House and Senate Delegations.

22 ~~(a) (1) In this section the following words have the meanings indicated:~~

23 ~~(2) "Deceptive subprime mortgage" means a mortgage that:~~

24 ~~(i) is an extension of credit to a Prince George's County~~
 25 ~~homeowner by a creditor that employed deceptive means, including an exaggeration of~~
 26 ~~a Prince George's County homeowner's potential future income or a failure to properly~~
 27 ~~disclose the current and future interest rate of a mortgage, to convince a Prince~~
 28 ~~George's County homeowner to borrow more than the Prince George's County~~
 29 ~~homeowner could afford, or could have reasonably been expected to afford; and~~

30 ~~(ii) 1. allows a Prince George's County homeowner to pay~~
 31 ~~only interest for a period of time;~~

32 ~~2. allows a Prince George's County homeowner to make~~
 33 ~~a minimum payment that may be lower than the payment required to reduce the~~
 34 ~~balance of the mortgage;~~

35 ~~3. has an initial fixed rate that, after a period of time, is~~
 36 ~~replaced with a variable rate; or~~

