

Chapter 650

(House Bill 425)

AN ACT concerning

Civil Actions – Unfair, Abusive, or Deceptive Trade Practices by Mortgage Servicer – Statute of Limitations

FOR the purpose of extending the statute of limitations applicable to certain civil actions relating to unfair, abusive, or deceptive trade practices filed against a mortgage servicer; limiting the application of this Act to claims relating to certain residential property; providing for the ~~retroactive~~ application of this Act; defining certain terms; and generally relating to unfair, abusive, or deceptive trade practices by mortgage servicers and the applicable statute of limitations.

BY adding to

Article – Courts and Judicial Proceedings
Section 5–121
Annotated Code of Maryland
(2013 Replacement Volume and 2018 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Courts and Judicial Proceedings

5–121.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANING INDICATED.

(2) “HOMEOWNER” MEANS:

(I) A RECORD OWNER OF RESIDENTIAL PROPERTY THAT IS OWNER–OCCUPIED AT THE TIME THE ALLEGED VIOLATION OF § 13–301 OF THE COMMERCIAL LAW ARTICLE OR OTHER STATE LAW OCCURRED; OR

(II) AN INDIVIDUAL WHO OCCUPIES RESIDENTIAL PROPERTY UNDER A USE AND POSSESSION ORDER ISSUED UNDER TITLE 8, SUBTITLE 2 OF THE FAMILY LAW ARTICLE.

(3) “MORTGAGE SERVICER” HAS THE MEANING STATED IN § 11–501 OF THE FINANCIAL INSTITUTIONS ARTICLE.

(4) “RESIDENTIAL PROPERTY” HAS THE MEANING STATED IN § 7-105.1 OF THE REAL PROPERTY ARTICLE.

(5) “UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE” HAS THE MEANING STATED IN § 13-301 OF THE COMMERCIAL LAW ARTICLE.

(B) THIS SECTION APPLIES ONLY TO CLAIMS RELATING TO RESIDENTIAL PROPERTY.

(C) AN ACTION FILED BY A HOMEOWNER AGAINST A MORTGAGE SERVICER FOR DAMAGES ARISING OUT OF AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE SHALL BE FILED WITHIN THE ~~LATER~~ EARLIER OF:

(1) ~~12~~ 5 YEARS AFTER A FORECLOSURE SALE OF THE RESIDENTIAL PROPERTY; OR

(2) ~~3 YEARS AFTER THE HOMEOWNER DISCOVERED OR SHOULD HAVE DISCOVERED THE MORTGAGE SERVICER’S UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE~~ IF THE MORTGAGE SERVICER DISCLOSES ITS UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE TO THE HOMEOWNER, 3 YEARS AFTER THE DISCLOSURE TO THE HOMEOWNER.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply ~~retroactively to revive an action that was barred by the application of the period of limitations applicable before October 1, 2019~~ only prospectively and may not be applied or interpreted to have any effect on or application to any cause of action arising before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 25, 2019.