

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	07/31/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 9/5/2014

2. COMAR Codification

Title Subtitle Chapter Regulation

09 03 12 01 - .02

3. Name of Promulgating Authority

Department of Labor, Licensing, and Regulation

4. Name of Regulations Coordinator

Donnice M Turner

Telephone Number

410-230-6008

Mailing Address

500 N. Calvert Street, 4th Floor

City State Zip Code

Baltimore MD 21202

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5. Name of Person to Call About this Document

Brian Patrick Weeks

Telephone No.

410.230.6359

Email Address

brianp.weeks@maryland.gov

6. Check applicable items:

- New Regulations
- Amendments to Existing Regulations
 - Date when existing text was downloaded from COMAR online: 7.28.14.
- Repeal of Existing Regulations
- Recodification
- Incorporation by Reference of Documents Requiring DSD Approval
- Reproposal of Substantively Different Text:

: Md. R
 (vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

- Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

- OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.
- OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Brian Patrick Weeks, Assistant Attorney General, (telephone #410.230.6359) on 7.25.14. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Gordon Cooley

Title

Commissioner of Financial Regulation

Telephone No.

410.230.6361

Date

July 28, 2014

Title 09
DEPARTMENT OF LABOR, LICENSING, AND
REGULATION

Subtitle 03 COMMISSIONER OF FINANCIAL REGULATION

09.03.12 Foreclosure Procedures for Residential Property

Authority: Real Property Article, §7-105.1, Annotated Code of Maryland

Notice of Proposed Action

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The Commissioner of Financial Regulation proposes to amend existing Regulations .01 and .02; repeal existing Appendices A, A-1, and C, F, OAH-1, OAH-2, OAH-3 and OAH-4 and all related Schedules; and adopt new Appendices A, A(f), A-1, A-1(f), C, and C(f), F, OAH-1, OAH-2, OAH-3 and OAH-4 and related Schedules under COMAR 09.03.12 Foreclosure Procedures for Residential Property.

Statement of Purpose

The purpose of this action is to update existing procedures for foreclosure of residential property by changing current mediation forms based on input from the Office of Administrative Hearings and adding new forms to reflect recent changes to federal law. These proposed regulations consist of four changes to the existing regulations: (1) addition of Notice of Intent to Foreclose forms that conform to new federal regulations regarding the timeline for foreclosure referral; (2) amendments to the foreclosure mediation instructions regarding document production prior to mediation; (3) amendments to the foreclosure mediation checklist; and (4) addition of a line for mortgage servicer on the mediation request form.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Meredith Mishaga, Director of Foreclosure Outreach, Department of Labor, Licensing & Regulation, 500 North Calvert Street, Room 402, Baltimore, MD 21201, or call 410-230-6099, or email to meredith.mishaga@maryland.gov, or fax to 410-685-6542. Comments will be accepted through October 17, 2014. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 15

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

General funds.

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

The regulations are essentially technical changes to forms used during the foreclosure process.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

Generally, mortgage lenders and secured parties are not considered small businesses.

G. Small Business Worksheet:

Attached Document:

Title 09 DEPARTMENT OF LABOR, LICENSING, AND REGULATION

Subtitle 03 COMMISSIONER OF FINANCIAL REGULATION

09.03.12 Foreclosure Procedures for Residential Property

Authority: Real Property Article, §7-105.1, Annotated Code of Maryland

.01 Definitions.

- A. (text unchanged)
- B. (text unchanged)
 - (1) – (6) (text unchanged)
 - (7) “*Federally related mortgage loan*” has the meaning stated at 12 C.F.R. 1024.2.
 - [7] 8 – [26] 27 (text unchanged)

.02 Notice of Intent to Foreclose.

- A. (text unchanged)
- B. (text unchanged)
 - (1) Subject to §C of this regulation, a notice of intent to foreclose on owner-occupied residential property shall be in a form substantially similar to that in:
 - (a) Appendix A of this chapter *if the loan is not a federally related mortgage loan*; or
 - (b) *Appendix A-f of this chapter if the loan is a federally related mortgage loan*; or
 - [b] (c) With respect to a notice of intent to foreclose from a secured party offering prefile mediation *for a loan that is not a federally related mortgage loan*, Appendix A-1 of this chapter, as follows:
 - (i) - (iii) (text unchanged)
 - (d) *With respect to a notice of intent to foreclose from a secured party offering prefile mediation for a loan that is a federally related mortgage loan, Appendix A-1(f) of this chapter, as follows:*
 - (i) *Appendix A-1(f) shall be accompanied in the same envelope or package by the packets of documents and forms substantially similar to Schedule 1(f) (Prefile Mediation Packet) and Schedule 2(f) (Loss Mitigation Packet) of Appendix A-1(f) of this chapter.*
 - (ii) *Each of the documents and forms constituting Appendix A-1(f), Schedule 1(f), and Schedule 2(f) as required under subparagraph (i) of this paragraph shall be in the sequence of documents and forms presented in Appendix A-1(f), Schedule 1(f), and Schedule 2(f), respectively. Appendix A-1(f) shall be the first in the sequence. Schedule 1(f) shall be the second in the sequence and shall be directly behind Appendix A-1(f). Schedule 2(f) shall be the third in the sequence and shall be directly behind Schedule 1(f). Appendix A-1(f), Schedule 1(f), and Schedule 2(f) shall be separated from each other by any reasonable method that ensures that the borrower can identify the forms and documents constituting each of Appendix A-1(f), Schedule 1(f), and Schedule 2(f).*
 - (iii) *The Loss Mitigation Application and Instruction required in Schedule 2(f) of Appendix A-1(f) may be in the form authorized under Regulation .06 of this chapter.*
- (1) – (4) (text unchanged)
- C. (text unchanged)
- D. Not an Owner-Occupied Residential Property.
 - (1) A notice of intent to foreclose on residential property that is not an owner-occupied residential property shall be in a form substantially similar to that in Appendix C of this chapter *if the loan is not a federally related mortgage loan.*
 - (2) *A notice of intent to foreclose on residential property that is not an owner-occupied residential property shall be in a form substantially similar to that in Appendix C(f) of this chapter if the loan is a federally related mortgage loan.*
 - [(2)] (3) A notice of intent to foreclose under §D(1) or §D(2) of this regulation shall be sent to the borrower and record owner only if the secured party, or representative of the secured party, has a reasonable belief that the residential property is not owner-occupied residential property.
 - [(3)] (4) (text unchanged)
- E. – G. (text unchanged)

GORDON COOLEY
Acting Commissioner of Financial Regulation