

UNOFFICIAL COPY OF HOUSE BILL 1288
EMERGENCY BILL

N1

5lr1397
CF 5lr1509

By: **Delegate Niemann**

Introduced and read first time: February 11, 2005

Assigned to: Environmental Matters and Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 31, 2005

CHAPTER _____

1 AN ACT concerning

2 **Real Property - Foreclosure - Protection of Homeowners**

3 FOR the purpose of specifying the form and contents of certain contracts and
4 documents; providing that a homeowner has the right to rescind certain
5 contracts and transactions within a certain time; providing for the manner of
6 giving notice of rescission; requiring a homeowner who rescinds certain
7 contracts or transactions to repay certain funds with interest within a certain
8 time; prohibiting foreclosure consultants and foreclosure purchasers from
9 engaging in certain practices; requiring a homeowner to be provided with copies
10 of certain documents; providing that certain provisions in certain documents are
11 void; prohibiting certain documents from being recorded within a certain period;
12 ~~requiring certain deeds to contain a certain affidavit~~; establishing certain
13 rebuttable presumptions; requiring a certain audit account to be restated under
14 certain circumstances; providing for the enforcement of this Act; providing
15 penalties for violations of this Act; requiring a written notice of a foreclosure sale
16 to contain a certain statement; providing for the effect of a certain order for
17 resale in a foreclosure proceeding; exempting certain persons from certain
18 provisions of this Act; providing for the effect and construction of certain
19 provisions of this Act; requiring a certain notice to be sent to certain record
20 owners; requiring the Consumer Protection Division of the Office of the Attorney
21 General to maintain a list of certain nonprofit organizations and to provide
22 certain information to certain homeowners; defining certain terms; making this
23 Act an emergency measure; and generally relating to foreclosure.

24 ~~BY repealing and reenacting, with amendments,~~

25 ~~Article Real Property~~

26 ~~Section 7-105(b)~~

27 ~~Annotated Code of Maryland~~

1 ~~(2003 Replacement Volume and 2004 Supplement)~~

2 BY adding to

3 Article - Real Property

4 Section ~~7-105(h)~~ 7-105(a-1) and (h); and 7-301 through 7-321, inclusive, to be

5 under the new subtitle "Subtitle 3. Protection of Homeowners in

6 Foreclosure"

7 Annotated Code of Maryland

8 (2003 Replacement Volume and 2004 Supplement)

9 BY repealing and reenacting, without amendments,

10 Article - Real Property

11 Section 7-105(b)

12 Annotated Code of Maryland

13 (2003 Replacement Volume and 2004 Supplement)

14 BY repealing and reenacting, with amendments,

15 Article - Commercial Law

16 Section 13-204(12) and (13)

17 Annotated Code of Maryland

18 (2000 Replacement Volume and 2004 Supplement)

19 BY adding to

20 Article - Commercial Law

21 Section 13-204(14)

22 Annotated Code of Maryland

23 (2000 Replacement Volume and 2004 Supplement)

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

26 **Article - Real Property**

27 7-105.

28 (A-1) (1) IN THIS SUBSECTION, "RECORD OWNER" MEANS THE PERSON
29 HOLDING RECORD TITLE TO RESIDENTIAL REAL PROPERTY AS OF THE DATE ON
30 WHICH AN ACTION TO FORECLOSE THE MORTGAGE OR DEED OF TRUST IS FILED.

31 (2) IN ADDITION TO ANY NOTICE REQUIRED TO BE GIVEN BY
32 PROVISIONS OF THE ANNOTATED CODE OF MARYLAND OR THE MARYLAND RULES,
33 THE PERSON AUTHORIZED TO MAKE A SALE IN AN ACTION TO FORECLOSE A
34 MORTGAGE OR DEED OF TRUST SHALL GIVE WRITTEN NOTICE OF THE ACTION TO
35 THE RECORD OWNER OF THE PROPERTY TO BE SOLD.

1 1. By certified mail, postage prepaid, return receipt
2 requested, bearing a postmark from the United States Postal Service, to the record
3 owner; and

4 2. By first class mail.

5 (ii) The notice shall state the time, place, and terms of the sale and
6 shall be sent not earlier than 30 days and not later than 10 days before the date of
7 sale.

8 (iii) ~~THE NOTICE SHALL CONTAIN THE FOLLOWING STATEMENT~~
9 ~~PRINTED IN AT LEAST 14 POINT BOLDFACE TYPE:~~

10 "NOTICE REQUIRED BY MARYLAND LAW

11 ~~MORTGAGE FORECLOSURE IS A COMPLEX PROCESS. SOME PEOPLE MAY~~
12 ~~APPROACH YOU ABOUT "SAVING" YOUR HOME. YOU SHOULD BE CAREFUL ABOUT ANY~~
13 ~~SUCH PROMISES.~~

14 ~~THE STATE ENCOURAGES YOU TO BECOME INFORMED ABOUT YOUR OPTIONS~~
15 ~~IN FORECLOSURE BEFORE ENTERING INTO ANY AGREEMENTS WITH ANYONE IN~~
16 ~~CONNECTION WITH THE FORECLOSURE OF YOUR HOME. THERE ARE GOVERNMENT~~
17 ~~AGENCIES AND NONPROFIT ORGANIZATIONS THAT YOU MAY CONTACT FOR~~
18 ~~HELPFUL INFORMATION ABOUT THE FORECLOSURE PROCESS. FOR THE NAME AND~~
19 ~~TELEPHONE NUMBER OF AN ORGANIZATION NEAR YOU, PLEASE CALL THE~~
20 ~~CONSUMER PROTECTION DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL OF~~
21 ~~MARYLAND AT 1 (888) 743-0023. THE STATE DOES NOT GUARANTEE THE ADVICE OF~~
22 ~~THESE ORGANIZATIONS.~~

23 ~~DO NOT DELAY DEALING WITH THE FORECLOSURE BECAUSE YOUR OPTIONS~~
24 ~~MAY BECOME MORE LIMITED AS TIME PASSES."~~

25 {(iii)} (iv) The person giving the notice shall file in the proceedings:

26 1. A return receipt; or

27 2. An affidavit that:

28 A. The provisions of this paragraph have been complied with;

29 or

30 B. The address of the record owner is not reasonably

31 ascertainable.

32 {(iv)} (v) The person authorized to make a sale in an action to
33 foreclose a mortgage or deed of trust is not required to give notice to a record owner
34 whose address is not reasonably ascertainable.

1 (3) In the event of postponement of sale, which may be done in the
2 discretion of the trustee, no new or additional notice need be given pursuant to this
3 section.

4 (4) The right of a record owner to file an action for the failure of the
5 person authorized to make a sale in an action to foreclose a mortgage or deed of trust
6 to comply with the provisions of this subsection shall expire 3 years after the date of
7 the order ratifying the foreclosure sale.

8 (H) THE ENTRY OF AN ORDER FOR RESALE ON DEFAULT BY A PURCHASER AT
9 A SALE UNDER THIS SECTION AND TITLE 14 OF THE MARYLAND RULES:

10 (1) ~~DOES NOT AFFECT THE PRIOR RATIFICATION OF THE SALE AND~~
11 ~~DOES NOT RESTORE TO THE MORTGAGOR OR FORMER RECORD OWNER ANY RIGHT~~
12 ~~OR REMEDY RESTORES ANY RIGHT OR REMEDY TO THE FORMER RECORD OWNER~~
13 ~~THAT WAS EXTINGUISHED BY THE PRIOR SALE AND ITS RATIFICATION; AND~~

14 (2) EXTINGUISHES ALL INTEREST OF THE DEFAULTING PURCHASER IN
15 THE REAL PROPERTY BEING FORECLOSED AND IN THE PROCEEDS OF THE RESALE.

16 SUBTITLE 3. PROTECTION OF HOMEOWNERS IN FORECLOSURE.

17 PART I. DEFINITIONS; GENERAL PROVISIONS.

18 7-301.

19 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 ~~(B) (1) "CONSIDERATION" MEANS ANY PAYMENT OR THING OF VALUE~~
22 ~~PROVIDED TO A HOMEOWNER BY A FORECLOSURE CONSULTANT OR FORECLOSURE~~
23 ~~PURCHASER.~~

24 ~~(2) "CONSIDERATION" INCLUDES:~~

25 ~~(I) UNPAID RENT, LEASE, OR CONTRACTUAL PAYMENTS OWED BY~~
26 ~~THE HOMEOWNER UNDER A FORECLOSURE CONVEYANCE AGREEMENT;~~

27 ~~(II) MORTGAGE LOAN OR OTHER PAYMENTS MADE ON BEHALF OF A~~
28 ~~HOMEOWNER BY A FORECLOSURE CONSULTANT OR FORECLOSURE PURCHASER;~~

29 ~~(III) REASONABLE COSTS PAID TO THIRD PARTIES NECESSARY TO~~
30 ~~COMPLETE A FORECLOSURE RECONVEYANCE TRANSACTION OR TO AVOID~~
31 ~~FORECLOSURE;~~

32 ~~(IV) THE PAYMENT OF MONEY TO SATISFY A DEBT OR LEGAL~~
33 ~~OBLIGATION OF THE HOMEOWNER; OR~~

34 ~~(V) THE REASONABLE COST OF REPAIRS FOR DAMAGE TO THE~~
35 ~~DWELLING CAUSED BY THE HOMEOWNER.~~

1 (3) "~~CONSIDERATION~~" DOES NOT INCLUDE AMOUNTS IMPUTED AS A
2 ~~DOWN PAYMENT OR FEE TO THE FORECLOSURE PURCHASER OR A PERSON ACTING~~
3 ~~IN PARTICIPATION WITH A FORECLOSURE PURCHASER INCIDENT TO A CONTRACT~~
4 ~~FOR SALE, DEED, LEASE, TRUST, OR OPTION TO PURCHASE ENTERED INTO AS PART~~
5 ~~OF A FORECLOSURE RECONVEYANCE, EXCEPT FOR REASONABLE COSTS PAID TO~~
6 ~~THIRD PARTIES NECESSARY TO COMPLETE THE FORECLOSURE RECONVEYANCE.~~

7 (⊖) (B) "FORECLOSURE CONSULTANT" MEANS A PERSON WHO:

8 (1) ~~DIRECTLY OR INDIRECTLY MAKES ANY SOLICITATION,~~
9 ~~REPRESENTATION, OR OFFER TO A HOMEOWNER TO PERFORM, WITH OR WITHOUT~~
10 ~~COMPENSATION, OR WHO PERFORMS, WITH OR WITHOUT COMPENSATION, ANY~~
11 ~~SERVICE THAT THE PERSON REPRESENTS WILL IN ANY MANNER SOLICITS OR~~
12 ~~CONTACTS A HOMEOWNER IN WRITING, IN PERSON, OR THROUGH ANY ELECTRONIC~~
13 ~~OR TELECOMMUNICATIONS MEDIUM AND DIRECTLY OR INDIRECTLY MAKES A~~
14 ~~REPRESENTATION OR OFFER TO PERFORM ANY SERVICE THAT THE PERSON~~
15 ~~REPRESENTS WILL:~~

16 (I) STOP, ENJOIN, DELAY, VOID, SET ASIDE, ANNUL, STAY, OR
17 POSTPONE A FORECLOSURE SALE;

18 (II) OBTAIN FORBEARANCE FROM ANY SERVICER, BENEFICIARY OR
19 MORTGAGEE;

20 (III) ASSIST THE HOMEOWNER TO EXERCISE A RIGHT OF
21 REINSTATEMENT PROVIDED IN THE LOAN DOCUMENTS OR TO REFINANCE A LOAN
22 THAT IS IN FORECLOSURE AND FOR WHICH NOTICE OF FORECLOSURE PROCEEDINGS
23 HAS BEEN PUBLISHED;

24 (IV) OBTAIN AN EXTENSION OF THE PERIOD WITHIN WHICH THE
25 HOMEOWNER MAY REINSTATE THE HOMEOWNER'S OBLIGATION OR EXTEND THE
26 DEADLINE TO OBJECT TO A RATIFICATION;

27 (V) OBTAIN A WAIVER OF AN ACCELERATION CLAUSE CONTAINED
28 IN ANY PROMISSORY NOTE OR CONTRACT SECURED BY A MORTGAGE ON A
29 RESIDENCE IN FORECLOSURE OR CONTAINED IN THE MORTGAGE;

30 (VI) ASSIST THE HOMEOWNER TO OBTAIN A LOAN OR ADVANCE OF
31 FUNDS;

32 (VII) AVOID OR AMELIORATE THE IMPAIRMENT OF THE
33 HOMEOWNER'S CREDIT RESULTING FROM THE FILING OF AN ORDER TO DOCKET OR
34 A PETITION TO FORECLOSE OR THE CONDUCT OF A FORECLOSURE SALE;

35 (VIII) SAVE THE HOMEOWNER'S RESIDENCE FROM FORECLOSURE;

36 (IX) PURCHASE OR OBTAIN AN OPTION TO PURCHASE THE
37 HOMEOWNER'S RESIDENCE WITHIN 20 DAYS OF AN ADVERTISED OR DOCKETED
38 FORECLOSURE SALE;

1 (X) ARRANGE FOR THE HOMEOWNER TO BECOME A LESSEE OR
2 RENTER ENTITLED TO CONTINUE TO RESIDE IN THE HOMEOWNER'S RESIDENCE;

3 (XI) ARRANGE FOR THE HOMEOWNER TO HAVE AN OPTION TO
4 REPURCHASE THE HOMEOWNER'S RESIDENCE; OR

5 (XII) ENGAGE IN ANY DOCUMENTATION, GRANT, CONVEYANCE,
6 SALE, LEASE, TRUST, OR GIFT BY WHICH THE HOMEOWNER CLOGS THE
7 HOMEOWNER'S EQUITY OF REDEMPTION IN THE HOMEOWNER'S RESIDENCE; OR

8 (2) SYSTEMATICALLY CONTACTS OWNERS OF PROPERTY THAT COURT
9 RECORDS OR NEWSPAPER ADVERTISEMENTS SHOW ARE IN FORECLOSURE OR IN
10 DANGER OF FORECLOSURE.

11 ~~(D)~~ (C) "FORECLOSURE CONSULTING CONTRACT" MEANS A WRITTEN, ORAL,
12 OR EQUITABLE AGREEMENT BETWEEN A FORECLOSURE CONSULTANT AND A
13 HOMEOWNER FOR THE PROVISION OF ANY FORECLOSURE CONSULTING SERVICE OR
14 FORECLOSURE RECONVEYANCE.

15 ~~(E)~~ (D) "FORECLOSURE CONSULTING SERVICE" INCLUDES:

16 ~~(1)~~ ~~DEBT, BUDGET, OR FINANCIAL COUNSELING OF ANY TYPE;~~

17 ~~(2)~~ (1) RECEIVING MONEY FOR THE PURPOSE OF DISTRIBUTING IT TO
18 CREDITORS IN PAYMENT OR PARTIAL PAYMENT OF ANY OBLIGATION SECURED BY A
19 LIEN ON A RESIDENCE IN FORECLOSURE;

20 ~~(3)~~ (2) CONTACTING CREDITORS ON BEHALF OF A HOMEOWNER;

21 ~~(4)~~ (3) ARRANGING OR ATTEMPTING TO ARRANGE FOR AN EXTENSION
22 OF THE PERIOD WITHIN WHICH A HOMEOWNER MAY CURE THE HOMEOWNER'S
23 DEFAULT AND REINSTATE THE HOMEOWNER'S OBLIGATION;

24 ~~(5)~~ (4) ARRANGING OR ATTEMPTING TO ARRANGE FOR ANY DELAY OR
25 POSTPONEMENT OF THE SALE OF A RESIDENCE IN FORECLOSURE;

26 ~~(6)~~ ~~ADVISING THE FILING OF ANY DOCUMENT OR ASSISTING IN ANY~~
27 ~~MANNER IN THE PREPARATION OF ANY DOCUMENT FOR FILING WITH A~~
28 ~~BANKRUPTCY COURT OR IN A STATE COURT;~~

29 ~~(7)~~ ~~GIVING ANY ADVICE, EXPLANATION, OR INSTRUCTION TO A~~
30 ~~HOMEOWNER THAT IN ANY MANNER RELATES TO THE CURE OF A DEFAULT IN OR~~
31 ~~THE REINSTATEMENT OF AN OBLIGATION SECURED BY A LIEN ON THE RESIDENCE~~
32 ~~IN FORECLOSURE, THE FULL SATISFACTION OF THAT OBLIGATION, OR THE~~
33 ~~POSTPONEMENT OR AVOIDANCE OF A SALE OF A RESIDENCE IN FORECLOSURE~~
34 ~~UNDER A POWER OF SALE OR AN ASSENT TO A DECREE CONTAINED IN ANY~~
35 ~~MORTGAGE OR DEED OF TRUST;~~

1 ~~(8)~~ (5) ARRANGING OR FACILITATING THE PURCHASE OF A
2 HOMEOWNER'S EQUITY OF REDEMPTION OR LEGAL OR EQUITABLE TITLE WITHIN 20
3 DAYS OF AN ADVERTISED OR DOCKETED FORECLOSURE SALE;

4 ~~(9)~~ (6) ARRANGING OR FACILITATING ANY TRANSACTION THROUGH
5 WHICH A HOMEOWNER WILL BECOME A LESSEE, OPTIONEE, LIFE TENANT, PARTIAL
6 HOMEOWNER, OR VESTED OR CONTINGENT REMAINDERMAN OF THE HOMEOWNER'S
7 RESIDENCE;

8 ~~(10)~~ (7) ARRANGING OR FACILITATING THE SALE OF A HOMEOWNER'S
9 RESIDENCE OR THE TRANSFER OF LEGAL TITLE, IN ANY FORM, TO ANOTHER PARTY
10 AS AN ALTERNATIVE TO FORECLOSURE;

11 ~~(11)~~ (8) ARRANGING FOR A HOMEOWNER TO HAVE AN OPTION TO
12 REPURCHASE THE HOMEOWNER'S RESIDENCE AFTER A SALE OR TRANSFER;

13 ~~(12)~~ (9) ARRANGING FOR OR FACILITATING A HOMEOWNER REMAINING
14 IN THE HOMEOWNER'S RESIDENCE AS A TENANT, RENTER, OR LESSEE; OR

15 ~~(13)~~ (10) ARRANGING OR FACILITATING ANY OTHER GRANT,
16 CONVEYANCE, SALE, LEASE, TRUST, OR GIFT BY WHICH A HOMEOWNER CLOGS THE
17 HOMEOWNER'S EQUITY OF REDEMPTION IN THE HOMEOWNER'S RESIDENCE.

18 ~~(F)~~ (E) "FORECLOSURE PURCHASER" MEANS A PERSON WHO ACQUIRES
19 TITLE OR POSSESSION OF A DEED OR OTHER DOCUMENT TO A RESIDENCE IN
20 FORECLOSURE AS A RESULT OF A FORECLOSURE RECONVEYANCE.

21 ~~(G)~~ (F) "FORECLOSURE RECONVEYANCE" MEANS A TRANSACTION
22 INVOLVING:

23 (1) THE TRANSFER OF TITLE TO REAL PROPERTY BY A HOMEOWNER
24 DURING OR INCIDENT TO A PROPOSED FORECLOSURE PROCEEDING, EITHER BY
25 TRANSFER OF INTEREST FROM THE HOMEOWNER TO ANOTHER PARTY OR BY
26 CREATION OF A MORTGAGE, TRUST, OR OTHER LIEN OR ENCUMBRANCE DURING THE
27 FORECLOSURE PROCESS THAT ALLOWS THE ACQUIRER TO OBTAIN LEGAL OR
28 EQUITABLE TITLE TO ALL OR PART OF THE PROPERTY; AND

29 (2) THE SUBSEQUENT CONVEYANCE, OR PROMISE OF A SUBSEQUENT
30 CONVEYANCE, OF AN INTEREST BACK TO THE HOMEOWNER BY THE ACQUIRER OR A
31 PERSON ACTING IN PARTICIPATION WITH THE ACQUIRER THAT ALLOWS THE
32 HOMEOWNER TO POSSESS THE REAL PROPERTY FOLLOWING THE COMPLETION OF
33 THE FORECLOSURE PROCEEDING, INCLUDING AN INTEREST IN A CONTRACT FOR
34 DEED, PURCHASE AGREEMENT, LAND INSTALLMENT SALE, CONTRACT FOR SALE,
35 OPTION TO PURCHASE, LEASE, TRUST, OR OTHER CONTRACTUAL ARRANGEMENT.

36 ~~(H)~~ (G) "FORECLOSURE SURPLUS ACQUISITION" MEANS A TRANSACTION
37 INVOLVING THE TRANSFER, SALE, OR ASSIGNMENT OF THE SURPLUS REMAINING
38 AND DUE THE HOMEOWNER BASED ON THE AUDIT ACCOUNT DURING A
39 FORECLOSURE PROCEEDING.

1 ~~(H)~~ (H) (1) "FORECLOSURE SURPLUS PURCHASER" MEANS A PERSON WHO
2 ACTS AS THE ACQUIRER BY ASSIGNMENT, PURCHASE, GRANT, OR CONVEYANCE OF
3 THE SURPLUS RESULTING FROM A FORECLOSURE SALE.

4 (2) "FORECLOSURE SURPLUS PURCHASER" INCLUDES A PERSON WHO
5 ACTS IN JOINT VENTURE OR JOINT ENTERPRISE WITH ONE OR MORE ACQUIRERS.

6 ~~(H)~~ (I) "HOMEOWNER" MEANS THE RECORD OWNER OF A RESIDENCE IN
7 FORECLOSURE, OR AN INDIVIDUAL OCCUPYING THE RESIDENCE UNDER A USE AND
8 POSSESSION ORDER ISSUED UNDER TITLE 8, SUBTITLE 2 OF THE FAMILY LAW
9 ARTICLE, AT THE TIME AN ORDER TO DOCKET OR A PETITION TO FORECLOSE IS
10 FILED.

11 ~~(K)~~ (J) "RESIDENCE IN FORECLOSURE" MEANS RESIDENTIAL REAL
12 PROPERTY CONSISTING OF NOT MORE THAN FOUR SINGLE FAMILY DWELLING
13 UNITS, ONE OF WHICH IS OCCUPIED BY THE OWNER, OR THE OWNER'S SPOUSE OR
14 FORMER SPOUSE UNDER A USE AND POSSESSION ORDER ISSUED UNDER TITLE 8,
15 SUBTITLE 2 OF THE FAMILY LAW ARTICLE, AS THE INDIVIDUAL'S PRINCIPAL PLACE
16 OF RESIDENCE, AND AGAINST WHICH AN ORDER TO DOCKET OR A PETITION TO
17 FORECLOSE HAS BEEN FILED.

18 7-302.

19 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THIS
20 SUBTITLE DOES NOT APPLY TO:

21 (1) AN INDIVIDUAL ADMITTED TO PRACTICE LAW IN THE STATE, WHILE
22 PERFORMING ANY ACTIVITY RELATED TO THE INDIVIDUAL'S REGULAR PRACTICE OF
23 LAW IN THE STATE; ~~OR~~

24 (2) A PERSON WHO HOLDS OR IS OWED AN OBLIGATION SECURED BY A
25 LIEN ON ANY RESIDENCE IN FORECLOSURE WHILE THE PERSON PERFORMS
26 SERVICES IN CONNECTION WITH THE OBLIGATION OR LIEN, IF THE OBLIGATION OR
27 LIEN DID NOT ARISE AS A RESULT OF A FORECLOSURE RECONVEYANCE;

28 (3) (I) A PERSON DOING BUSINESS UNDER ANY LAW OF THIS STATE
29 OR THE UNITED STATES REGULATING BANKS, TRUST COMPANIES, SAVINGS AND
30 LOAN ASSOCIATIONS, CREDIT UNIONS, OR INSURANCE COMPANIES, WHILE THE
31 PERSON PERFORMS SERVICES AS A PART OF THE PERSON'S NORMAL BUSINESS
32 ACTIVITIES; AND

33 (II) ANY SUBSIDIARY, AFFILIATE, OR AGENT OF A PERSON
34 DESCRIBED IN ITEM (I) OF THIS ITEM, WHILE THE SUBSIDIARY, AFFILIATE, OR AGENT
35 PERFORMS SERVICES AS A PART OF THE SUBSIDIARY'S, AFFILIATE'S, OR AGENT'S
36 NORMAL BUSINESS ACTIVITIES;

37 (4) A JUDGMENT CREDITOR OF THE HOMEOWNER, IF THE JUDGMENT
38 CREDITOR'S CLAIM ACCRUED BEFORE THE WRITTEN NOTICE OF FORECLOSURE SALE
39 REQUIRED UNDER § 7-105(B) OF THIS TITLE IS SENT;

1 (2) RESCIND A FORECLOSURE RECONVEYANCE AT ANY TIME BEFORE
2 MIDNIGHT OF THE ~~40TH~~ 3RD BUSINESS DAY AFTER ANY CONVEYANCE OR TRANSFER
3 IN ANY MANNER OF LEGAL OR EQUITABLE TITLE TO A RESIDENCE IN FORECLOSURE.

4 (B) RESCISSION OCCURS WHEN THE HOMEOWNER GIVES WRITTEN NOTICE
5 OF RESCISSION TO THE FORECLOSURE CONSULTANT AT THE ADDRESS SPECIFIED IN
6 THE CONTRACT OR THROUGH ANY FACSIMILE OR ELECTRONIC MAIL ADDRESS
7 IDENTIFIED IN THE CONTRACT OR OTHER MATERIALS PROVIDED TO THE
8 HOMEOWNER BY THE FORECLOSURE CONSULTANT.

9 (C) NOTICE OF RESCISSION, IF GIVEN BY MAIL, IS EFFECTIVE WHEN
10 DEPOSITED IN THE UNITED STATES MAIL, PROPERLY ADDRESSED, WITH POSTAGE
11 PREPAID.

12 (D) NOTICE OF RESCISSION NEED NOT BE IN THE FORM PROVIDED WITH THE
13 CONTRACT AND IS EFFECTIVE, HOWEVER EXPRESSED, IF IT INDICATES THE
14 INTENTION OF THE HOMEOWNER TO RESCIND THE FORECLOSURE CONSULTING
15 CONTRACT OR FORECLOSURE RECONVEYANCE.

16 (E) AS PART OF THE RESCISSION OF A FORECLOSURE CONSULTING
17 CONTRACT OR FORECLOSURE RECONVEYANCE, THE HOMEOWNER SHALL REPAY,
18 WITHIN 60 DAYS FROM THE DATE OF RESCISSION, ANY FUNDS PAID OR ADVANCED
19 BY THE FORECLOSURE CONSULTANT OR ANYONE WORKING WITH THE
20 FORECLOSURE CONSULTANT UNDER THE TERMS OF THE FORECLOSURE
21 CONSULTING CONTRACT OR FORECLOSURE RECONVEYANCE, TOGETHER WITH
22 INTEREST CALCULATED AT THE RATE OF 8% A YEAR.

23 (F) THE RIGHT TO RESCIND MANY NOT BE CONDITIONED ON THE REPAYMENT
24 OF ANY FUNDS.

25 7-306.

26 (A) A FORECLOSURE CONSULTING CONTRACT SHALL:

27 (1) ~~BE IN WRITING AND PROVIDED IN BLANK FORM AT THE FIRST~~
28 ~~MEETING OF THE FORECLOSURE CONSULTANT AND HOMEOWNER~~ BE PROVIDED TO
29 THE HOMEOWNER FOR REVIEW BEFORE SIGNING;

30 (2) BE PRINTED IN AT LEAST 12 POINT TYPE AND WRITTEN IN THE SAME
31 LANGUAGE THAT IS USED BY THE HOMEOWNER AND WAS USED IN DISCUSSIONS
32 WITH THE FORECLOSURE CONSULTANT TO DESCRIBE THE CONSULTANT'S SERVICES
33 OR TO NEGOTIATE THE CONTRACT;

34 (3) FULLY DISCLOSE THE EXACT NATURE OF THE FORECLOSURE
35 CONSULTING SERVICES TO BE PROVIDED, INCLUDING ANY FORECLOSURE
36 RECONVEYANCE THAT MAY BE INVOLVED, AND THE TOTAL AMOUNT AND TERMS OF
37 ANY COMPENSATION TO BE RECEIVED BY THE FORECLOSURE CONSULTANT OR
38 ANYONE WORKING IN ASSOCIATION WITH THE CONSULTANT;

1 (4) BE DATED AND PERSONALLY SIGNED BY THE HOMEOWNER AND THE
2 FORECLOSURE CONSULTANT AND BE WITNESSED AND ACKNOWLEDGED BY A
3 NOTARY PUBLIC APPOINTED AND COMMISSIONED BY THE STATE; AND

4 (5) CONTAIN THE FOLLOWING NOTICE, WHICH SHALL BE PRINTED IN AT
5 LEAST 14 POINT BOLDFACE TYPE, COMPLETED WITH THE NAME OF THE
6 FORECLOSURE CONSULTANT, AND LOCATED IN IMMEDIATE PROXIMITY TO THE
7 SPACE RESERVED FOR THE HOMEOWNER'S SIGNATURE:

8 "NOTICE REQUIRED BY MARYLAND LAW

9 ~~..... (NAME) OR ANYONE WORKING FOR HIM OR HER CANNOT TAKE ANY~~
10 ~~MONEY FROM YOU OR ASK YOU FOR MONEY UNTIL (NAME) HAS~~
11 ~~COMPLETELY FINISHED DOING EVERYTHING (NAME) SAID HE OR SHE~~
12 ~~WOULD DO.~~

13 (NAME) OR ANYONE WORKING FOR HIM OR HER CANNOT ASK YOU TO
14 SIGN OR HAVE YOU SIGN ANY LIEN, MORTGAGE, OR DEED AS PART OF SIGNING
15 THIS AGREEMENT UNLESS THE TERMS OF THE TRANSFER ARE SPECIFIED IN
16 THIS DOCUMENT AND YOU ARE GIVEN A SEPARATE EXPLANATION OF THE
17 PRECISE NATURE OF THE TRANSACTION.

18 (NAME) OR ANYONE WORKING FOR HIM OR HER CANNOT GUARANTEE
19 YOU THAT THEY WILL BE ABLE TO REFINANCE YOUR HOME OR ARRANGE FOR
20 YOU TO KEEP YOUR HOME. CONTINUE MAKING MORTGAGE PAYMENTS UNTIL A
21 REFINANCING, IF APPLICABLE, IS APPROVED.

22 ~~YOU, THE HOMEOWNER, MAY RESCIND THIS CONTRACT AT ANY TIME. IF A~~
23 ~~TRANSFER OF THE DEED OR TITLE TO YOUR PROPERTY IS INVOLVED IN ANY~~
24 ~~WAY, YOU MAY RESCIND THE TRANSFER ANY TIME WITHIN 40 3 DAYS AFTER~~
25 ~~THE DATE YOU SIGN THE DEED OR OTHER DOCUMENT OF SALE OR TRANSFER.~~
26 ~~SEE THE ATTACHED NOTICE OF RESCISSION FORM FOR AN EXPLANATION OF~~
27 ~~THIS RIGHT. AS PART OF ANY RESCISSION, YOU MUST REPAY, WITHIN 60 DAYS,~~
28 ~~ANY MONEY SPENT ON YOUR BEHALF AS A RESULT OF THIS AGREEMENT,~~
29 ~~ALONG WITH INTEREST CALCULATED AT THE RATE OF 8% A YEAR.~~

30 THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF
31 YOUR HOME. CONTACT AN ATTORNEY BEFORE SIGNING."

32 (B) THE CONTRACT SHALL CONTAIN ON THE FIRST PAGE, IN AT LEAST 12
33 POINT TYPE SIZE:

34 (1) THE NAME AND ADDRESS OF THE FORECLOSURE CONSULTANT TO
35 WHICH THE NOTICE OF CANCELLATION IS TO BE MAILED; AND

36 (2) THE DATE THE HOMEOWNER SIGNED THE CONTRACT.

37 (C) (1) THE CONTRACT SHALL BE ACCOMPANIED BY A COMPLETED FORM IN
38 DUPLICATE, CAPTIONED "NOTICE OF RESCISSION".

1 (2) THE NOTICE OF RESCISSION SHALL:

2 (I) BE ON A SEPARATE SHEET OF PAPER ATTACHED TO THE
3 CONTRACT;

4 (II) BE EASILY DETACHABLE; AND

5 (III) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT LEAST
6 15 POINT TYPE:

7 "NOTICE OF RESCISSION

8 (DATE OF CONTRACT)

9 YOU MAY CANCEL OR RESCIND THIS CONTRACT, WITHOUT ANY PENALTY, AT
10 ANY TIME.

11 IF YOU WANT TO END THIS CONTRACT, MAIL OR DELIVER A SIGNED AND DATED
12 COPY OF THIS NOTICE OF RESCISSION, OR ANY OTHER WRITTEN NOTICE
13 INDICATING YOUR INTENT TO RESCIND TO (NAME OF FORECLOSURE
14 CONSULTANT) AT (ADDRESS OF FORECLOSURE CONSULTANT, INCLUDING
15 FACSIMILE AND ELECTRONIC MAIL).

16 AS PART OF ANY RESCISSION, YOU (THE HOMEOWNER) MUST REPAY ANY
17 MONEY SPENT ON YOUR BEHALF AS A RESULT OF THIS AGREEMENT, WITHIN 60
18 DAYS, ALONG WITH INTEREST CALCULATED AT THE RATE OF 8% A YEAR.

19 THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF
20 YOUR HOME. CONTACT AN ATTORNEY BEFORE SIGNING.

21 NOTICE OF RESCISSION

22 TO: (NAME OF FORECLOSURE CONSULTANT)
23 (ADDRESS OF FORECLOSURE CONSULTANT, INCLUDING FACSIMILE AND
24 ELECTRONIC MAIL)

25 I HEREBY RESCIND THIS CONTRACT.

26 (DATE)
27 (HOMEOWNER'S SIGNATURE)".

28 (D) THE FORECLOSURE CONSULTANT SHALL PROVIDE THE HOMEOWNER
29 WITH A SIGNED AND DATED COPY OF THE CONTRACT AND THE ATTACHED NOTICE
30 OF RESCISSION IMMEDIATELY UPON EXECUTION OF THE CONTRACT.

31 (E) THE TIME DURING WHICH THE HOMEOWNER MAY RESCIND THE
32 CONTRACT DOES NOT BEGIN TO RUN UNTIL THE FORECLOSURE CONSULTANT HAS
33 COMPLIED WITH THIS SECTION.

1 (F) ANY PROVISION IN A FORECLOSURE CONSULTING CONTRACT THAT
2 ATTEMPTS OR PURPORTS TO WAIVE ANY OF THE RIGHTS SPECIFIED IN THIS TITLE,
3 CONSENT TO JURISDICTION FOR LITIGATION OR CHOICE OF LAW IN A STATE OTHER
4 THAN MARYLAND, CONSENT TO VENUE IN A COUNTY OTHER THAN THE COUNTY IN
5 WHICH THE PROPERTY IS LOCATED, OR IMPOSE ANY COSTS OR FILING FEES
6 GREATER THAN THE FEES REQUIRED TO FILE AN ACTION IN A CIRCUIT COURT, IS
7 VOID.

8 7-307.

9 A FORECLOSURE CONSULTANT MAY NOT:

10 (1) CLAIM, DEMAND, CHARGE, COLLECT, OR RECEIVE ANY
11 COMPENSATION UNTIL AFTER THE FORECLOSURE CONSULTANT HAS FULLY
12 PERFORMED EACH AND EVERY SERVICE THE FORECLOSURE CONSULTANT
13 CONTRACTED TO PERFORM OR REPRESENTED THAT THE FORECLOSURE
14 CONSULTANT WOULD PERFORM;

15 (2) CLAIM, DEMAND, CHARGE, COLLECT, OR RECEIVE ANY ~~FEES,~~
16 INTEREST; OR ANY OTHER COMPENSATION FOR ~~ANY REASON THAT EXCEEDS 8% A~~
17 ~~YEAR OF THE AMOUNT OF ANY LOAN THAT THE FORECLOSURE CONSULTANT MAKES~~
18 ~~TO THE HOMEOWNER THAT EXCEEDS 8% A YEAR;~~

19 (3) TAKE ANY WAGE ASSIGNMENT, ANY LIEN OF ANY TYPE ON REAL OR
20 PERSONAL PROPERTY, OR OTHER SECURITY TO SECURE THE PAYMENT OF
21 COMPENSATION;

22 (4) RECEIVE ANY CONSIDERATION FROM ANY THIRD PARTY IN
23 CONNECTION WITH FORECLOSURE CONSULTING SERVICES PROVIDED TO A
24 HOMEOWNER UNLESS THE CONSIDERATION IS FIRST FULLY DISCLOSED IN WRITING
25 TO THE HOMEOWNER;

26 (5) ACQUIRE ANY INTEREST, DIRECTLY OR INDIRECTLY, OR BY MEANS
27 OF A SUBSIDIARY, AFFILIATE, OR CORPORATION IN WHICH THE FORECLOSURE
28 CONSULTANT OR A MEMBER OF THE FORECLOSURE CONSULTANT'S IMMEDIATE
29 FAMILY IS A PRIMARY STOCKHOLDER, IN A RESIDENCE IN FORECLOSURE FROM A
30 HOMEOWNER WITH WHOM THE FORECLOSURE CONSULTANT HAS CONTRACTED;

31 (6) TAKE ANY POWER OF ATTORNEY FROM A HOMEOWNER FOR ANY
32 PURPOSE, EXCEPT TO INSPECT DOCUMENTS AS PROVIDED BY LAW; OR

33 (7) INDUCE OR ATTEMPT TO INDUCE ANY HOMEOWNER TO ENTER INTO
34 A FORECLOSURE CONSULTING CONTRACT THAT DOES NOT COMPLY IN ALL
35 RESPECTS WITH THIS SUBTITLE.

1 7-308. RESERVED.

2 7-309. RESERVED.

3

PART III. FORECLOSURE PURCHASERS.

4 7-310.

5 (A) IF A FORECLOSURE RECONVEYANCE IS INCLUDED IN A FORECLOSURE
6 CONSULTING CONTRACT OR ARRANGED AFTER THE EXECUTION OF A FORECLOSURE
7 CONSULTING CONTRACT, THE FORECLOSURE PURCHASER SHALL PROVIDE THE
8 HOMEOWNER WITH A DOCUMENT ENTITLED "NOTICE OF TRANSFER OF DEED OR
9 TITLE".

10 (B) THE DOCUMENT ENTITLED "NOTICE OF TRANSFER OF DEED OR TITLE"
11 SHALL:

12 (1) CONTAIN THE ENTIRE AGREEMENT OF THE PARTIES;

13 (2) BE PRINTED IN 12 POINT TYPE AND WRITTEN IN THE SAME
14 LANGUAGE THAT IS USED BY THE HOMEOWNER AND WAS USED IN DISCUSSIONS TO
15 DESCRIBE THE FORECLOSURE CONSULTANT'S OR FORECLOSURE PURCHASER'S
16 SERVICES OR TO NEGOTIATE THE TRANSFER OR SALE OF THE PROPERTY;

17 (3) BE DATED AND PERSONALLY SIGNED BY THE HOMEOWNER AND THE
18 FORECLOSURE PURCHASER AND WITNESSED AND ACKNOWLEDGED BY A NOTARY
19 PUBLIC APPOINTED AND COMMISSIONED BY THE STATE;

20 (4) DESCRIBE IN DETAIL THE TERMS OF ANY FORECLOSURE
21 CONVEYANCE INCLUDING:

22 (I) THE NAME, BUSINESS ADDRESS, TELEPHONE NUMBER, AND
23 FACSIMILE NUMBER OF THE PERSON TO WHOM THE DEED OR TITLE WILL BE
24 TRANSFERRED;

25 (II) THE ADDRESS OF THE RESIDENCE IN FORECLOSURE;

26 (III) THE TOTAL CONSIDERATION TO BE GIVEN BY THE
27 FORECLOSURE PURCHASER, THE FORECLOSURE CONSULTANT, AND ANY OTHER
28 PARTY AS A RESULT OF THE TRANSFER;

29 (IV) THE TIME AT WHICH TITLE IS TO BE TRANSFERRED TO THE
30 FORECLOSURE PURCHASER AND THE TERMS OF ANY CONVEYANCE;

31 (V) ANY FINANCIAL OR LEGAL OBLIGATIONS THAT THE
32 HOMEOWNER MAY REMAIN SUBJECT TO, INCLUDING A DESCRIPTION OF ANY
33 MORTGAGES, LIENS, OR OTHER OBLIGATIONS THAT WILL REMAIN IN PLACE;

1 (VI) A DESCRIPTION OF ANY SERVICES OF ANY NATURE THAT THE
2 FORECLOSURE PURCHASER WILL PERFORM FOR THE HOMEOWNER BEFORE OR
3 AFTER THE SALE OR TRANSFER;

4 (VII) A COMPLETE DESCRIPTION OF THE TERMS OF ANY RELATED
5 AGREEMENT DESIGNED TO ALLOW THE HOMEOWNER TO REMAIN IN THE HOME,
6 INCLUDING THE TERMS OF ANY RENTAL AGREEMENT, REPURCHASE AGREEMENT,
7 CONTRACT FOR DEED, LAND INSTALLMENT CONTRACT, OR OPTION TO BUY, AND ANY
8 PROVISIONS FOR EVICTION OR REMOVAL OF THE HOMEOWNER IN THE CASE OF
9 LATE PAYMENT; AND

10 (VIII) HOW ANY REPURCHASE PRICE OR FEE ASSOCIATED WITH ANY
11 TRANSFER OF TITLE OR DEED BACK TO THE HOMEOWNER WILL BE CALCULATED.

12 (5) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT LEAST 14
13 POINT BOLDFACE TYPE AND LOCATED IN IMMEDIATE PROXIMITY TO THE SPACE
14 RESERVED FOR THE HOMEOWNER'S SIGNATURE:

15 "IF YOU CHANGE YOUR MIND ABOUT TRANSFERRING OWNERSHIP OF YOUR
16 PROPERTY, YOU, THE HOMEOWNER, MAY RESCIND THE TRANSFER OF THE
17 DEED OR TITLE TO YOUR PROPERTY ANY TIME WITHIN THE NEXT ~~40~~ 3 DAYS. AS
18 PART OF ANY RESCISSION, YOU MUST REPAY, WITHIN 60 DAYS, ANY MONEY
19 SPENT ON YOUR BEHALF AS A RESULT OF THIS AGREEMENT, ALONG WITH
20 INTEREST CALCULATED AT THE RATE OF 8% A YEAR.

21 THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF
22 YOUR HOME. CONTACT AN ATTORNEY BEFORE SIGNING."

23 (C) (1) IF A FORECLOSURE RECONVEYANCE IS INCLUDED IN A
24 FORECLOSURE CONSULTING CONTRACT OR ARRANGED AFTER THE EXECUTION OF A
25 FORECLOSURE CONSULTING CONTRACT, THE FORECLOSURE PURCHASER SHALL
26 PROVIDE THE HOMEOWNER WITH A DOCUMENT ENTITLED "NOTICE OF RIGHT TO
27 CANCEL TRANSFER OF DEED OR TITLE".

28 (2) THE NOTICE OF RIGHT TO CANCEL TRANSFER OF DEED OR TITLE
29 SHALL:

30 (I) BE A SEPARATE DOCUMENT AND NOT PRINTED ON THE BACK
31 OF ANY OTHER DOCUMENT; AND

32 (II) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT LEAST
33 14 POINT TYPE:

34 "NOTICE OF RIGHT TO CANCEL TRANSFER OF DEED OR TITLE

35 (DATE)

36 YOU MAY CANCEL OR RESCIND THE TRANSFER OF OWNERSHIP OF YOUR
37 PROPERTY THROUGH THE TRANSFER OF A DEED OR TITLE WITHIN ~~40~~ 3
38 BUSINESS DAYS AFTER THE DATE YOU SIGN THIS DOCUMENT.

1 TO RESCIND THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY
2 OF THIS NOTICE, OR ANY OTHER WRITTEN NOTICE EXPRESSING A SIMILAR
3 INTENT TO (NAME OF FORECLOSURE CONSULTANT) AT (ADDRESS OF
4 FORECLOSURE CONSULTANT, INCLUDING FACSIMILE AND ELECTRONIC MAIL).

5 AS PART OF ANY RESCISSION, YOU (THE HOMEOWNER) MUST REPAY ANY
6 MONEY SPENT ON YOUR BEHALF AS A RESULT OF THIS AGREEMENT, WITHIN 60
7 DAYS, ALONG WITH INTEREST CALCULATED AT THE RATE OF 8% A YEAR.

8 THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF
9 YOUR HOME. CONTACT AN ATTORNEY BEFORE SIGNING.

10 NOTICE OF RESCISSION

11 TO: (NAME OF FORECLOSURE CONSULTANT)
12 (ADDRESS OF FORECLOSURE CONSULTANT, INCLUDING FACSIMILE AND
13 ELECTRONIC MAIL)

14 I HEREBY RESCIND THE TRANSFER OF DEED OR TITLE TO MY PROPERTY.
15 PLEASE RETURN ALL EXECUTED DOCUMENTS TO ME.

16 (DATE)
17 (HOMEOWNER'S SIGNATURE)".

18 (D) THE FORECLOSURE PURCHASER SHALL PROVIDE THE HOMEOWNER WITH
19 A COPY OF THE NOTICE OF RIGHT TO CANCEL TRANSFER OF DEED OR TITLE
20 IMMEDIATELY ON EXECUTION OF ANY DOCUMENT THAT INCLUDES A FORECLOSURE
21 RECONVEYANCE.

22 (E) THE TIME DURING WHICH THE HOMEOWNER MAY RESCIND THE
23 CONTRACT OR TRANSFER DOES NOT BEGIN TO RUN UNTIL THE FORECLOSURE
24 PURCHASER HAS COMPLIED WITH THIS SECTION.

25 (F) ANY PROVISION IN A FORECLOSURE CONSULTING CONTRACT OR OTHER
26 AGREEMENT CONCERNING A FORECLOSURE RECONVEYANCE THAT ATTEMPTS OR
27 PURPORTS TO WAIVE THE HOMEOWNER'S RIGHTS UNDER THIS SECTION, CONSENT
28 TO JURISDICTION FOR LITIGATION OR CHOICE OF LAW IN A STATE OTHER THAN
29 MARYLAND, CONSENT TO VENUE IN A COUNTY OTHER THAN THE COUNTY IN WHICH
30 THE PROPERTY IS LOCATED, OR IMPOSE ANY COSTS OR FILING FEES GREATER THAN
31 THE FEES REQUIRED TO FILE AN ACTION IN A CIRCUIT COURT, IS VOID.

32 (G) A FORECLOSURE RECONVEYANCE MAY NOT BE CARRIED OUT USING A
33 POWER OF ATTORNEY FROM THE HOMEOWNER.

34 (H) A NOTICE OF RESCISSION NEED NOT TAKE THE PARTICULAR FORM
35 SPECIFIED IN THIS SUBTITLE OR ANY FORM CONTAINED IN ANY AGREEMENT WITH
36 THE FORECLOSURE CONSULTANT OR FORECLOSURE PURCHASER AND IS EFFECTIVE,
37 HOWEVER EXPRESSED, IF IT INDICATES THE INTENTION OF THE HOMEOWNER TO
38 RESCIND THE RECONVEYANCE AGREEMENT.

1 (I) THE RIGHT TO RESCIND MAY NOT BE CONDITIONED ON THE REPAYMENT
2 OF ANY FUNDS.

3 (J) WITHIN 10 DAYS AFTER RECEIPT OF A NOTICE OF RESCISSION GIVEN IN
4 ACCORDANCE WITH THIS SUBTITLE, THE FORECLOSURE PURCHASER SHALL
5 RETURN, WITHOUT CONDITION, ANY ORIGINAL DEED, TITLE, CONTRACT, AND ANY
6 OTHER DOCUMENT SIGNED BY THE HOMEOWNER.

7 (K) ~~(H)~~ DURING THE ~~40~~ 3-DAY RESCISSION PERIOD, A DEED OR OTHER
8 DOCUMENT AFFECTING TITLE TO THE HOMEOWNER'S RESIDENCE MAY NOT BE
9 RECORDED.

10 ~~(2)~~ ANY DEED THAT IS RECORDED AFTER THE 10 DAY PERIOD SHALL
11 CONTAIN AN AFFIDAVIT OF COMPLIANCE WITH THIS SECTION SIGNED BY AN
12 ATTORNEY ADMITTED TO PRACTICE LAW IN THE STATE.

13 7-311.

14 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

16 (2) "PRIMARY HOUSING EXPENSES" MEANS THE TOTAL AMOUNT
17 REQUIRED TO PAY REGULAR PRINCIPAL, INTEREST, RENT, UTILITIES, HAZARD
18 INSURANCE, REAL ESTATE TAXES, AND ASSOCIATION DUES ON A PROPERTY.

19 (3) "RESALE" MEANS A BONA FIDE MARKET SALE OF PROPERTY
20 SUBJECT TO A FORECLOSURE RECONVEYANCE BY THE FORECLOSURE PURCHASER
21 TO AN UNAFFILIATED THIRD PARTY.

22 (4) "RESALE PRICE" MEANS THE GROSS SALE PRICE OF A PROPERTY ON
23 RESALE.

24 ~~(5) "SETTLEMENT" MEANS AN IN PERSON MEETING TO COMPLETE
25 FINAL DOCUMENTS INCIDENT TO THE SALE OR TRANSFER OF REAL PROPERTY OR
26 THE CREATION OF A MORTGAGE ON REAL PROPERTY CONDUCTED BY A SETTLEMENT
27 AGENT WHO IS NOT EMPLOYED BY OR AN AFFILIATE OF THE FORECLOSURE
28 PURCHASER.~~

29 (5) "SETTLEMENT" MEANS AN IN-PERSON, FACE-TO-FACE MEETING
30 WITH THE HOMEOWNER TO COMPLETE FINAL DOCUMENTS INCIDENT TO THE SALE
31 OR TRANSFER OF REAL PROPERTY, OR THE CREATION OF A MORTGAGE OR
32 EQUITABLE INTEREST IN REAL PROPERTY, CONDUCTED BY A SETTLEMENT AGENT
33 WHO IS NOT EMPLOYED BY OR AN AFFILIATE OF THE FORECLOSURE PURCHASER,
34 DURING WHICH THE HOMEOWNER MUST BE PRESENTED WITH A COMPLETED COPY
35 OF THE HUD-1 SETTLEMENT FORM.

36 (B) A FORECLOSURE PURCHASER MAY NOT:

37 (1) ENTER INTO, OR ATTEMPT TO ENTER INTO, A FORECLOSURE
38 RECONVEYANCE WITH A HOMEOWNER UNLESS:

1 (I) THE FORECLOSURE PURCHASER VERIFIES AND CAN
2 DEMONSTRATE THAT THE HOMEOWNER HAS OR WILL HAVE A REASONABLE ABILITY
3 TO PAY FOR THE SUBSEQUENT RECONVEYANCE OF THE PROPERTY BACK TO THE
4 HOMEOWNER ON COMPLETION OF THE TERMS OF A FORECLOSURE CONVEYANCE,
5 OR, IF THE FORECLOSURE CONVEYANCE PROVIDES FOR A LEASE WITH AN OPTION TO
6 REPURCHASE THE PROPERTY, THE HOMEOWNER HAS OR WILL HAVE A REASONABLE
7 ABILITY TO MAKE THE LEASE PAYMENTS AND REPURCHASE THE PROPERTY WITHIN
8 THE TERM OF THE OPTION TO REPURCHASE;

9 (II) THE FORECLOSURE PURCHASER AND THE HOMEOWNER
10 COMPLETE A FORMAL SETTLEMENT BEFORE ANY TRANSFER OF AN INTEREST IN THE
11 PROPERTY IS EFFECTED; AND

12 (III) THE FORECLOSURE PURCHASER COMPLIES WITH THE
13 REQUIREMENTS OF THE FEDERAL HOME OWNERSHIP EQUITY PROTECTION ACT, 15
14 U.S.C. 1639, AND ITS IMPLEMENTING REGULATIONS FOR ANY FORECLOSURE
15 RECONVEYANCE IN WHICH THE HOMEOWNER OBTAINS A VENDEE INTEREST IN A
16 CONTRACT FOR DEED;

17 (2) FAIL TO:

18 (I) ENSURE THAT TITLE TO THE PROPERTY HAS BEEN
19 RECONVEYED TO THE HOMEOWNER IN A TIMELY MANNER IF THIS SUBTITLE OR THE
20 TERMS OF A FORECLOSURE RECONVEYANCE AGREEMENT REQUIRE A
21 RECONVEYANCE; OR

22 (II) MAKE PAYMENT TO THE HOMEOWNER WITHIN 90 DAYS OF ANY
23 RESALE OF THE PROPERTY SO THAT THE HOMEOWNER RECEIVES CASH PAYMENTS
24 OR CONSIDERATION IN AN AMOUNT EQUAL TO AT LEAST 82% OF THE NET PROCEEDS
25 FROM ANY RESALE OF THE PROPERTY SHOULD A PROPERTY SUBJECT TO A
26 FORECLOSURE RECONVEYANCE BE SOLD WITHIN 18 MONTHS AFTER ENTERING INTO
27 A FORECLOSURE RECONVEYANCE AGREEMENT;

28 (3) ENTER INTO REPURCHASE OR LEASE TERMS AS PART OF THE
29 FORECLOSURE CONVEYANCE THAT ARE UNFAIR OR COMMERCIALY
30 UNREASONABLE, OR ENGAGE IN ANY OTHER UNFAIR CONDUCT;

31 (4) REPRESENT, DIRECTLY OR INDIRECTLY, THAT:

32 (I) THE FORECLOSURE PURCHASER IS ACTING AS AN ADVISOR OR
33 A CONSULTANT, OR IN ANY OTHER MANNER REPRESENT THAT THE FORECLOSURE
34 PURCHASER IS ACTING ON BEHALF OF THE HOMEOWNER;

35 (II) THE FORECLOSURE PURCHASER HAS CERTIFICATION OR
36 LICENSURE THAT THE FORECLOSURE PURCHASER DOES NOT HAVE;

37 (III) THE FORECLOSURE PURCHASER IS ASSISTING THE
38 HOMEOWNER TO "SAVE THE HOUSE" OR USE A SUBSTANTIALLY SIMILAR PHRASE; OR

1 (IV) THE FORECLOSURE PURCHASER IS ASSISTING THE
2 HOMEOWNER IN PREVENTING A FORECLOSURE IF THE RESULT OF THE
3 TRANSACTION IS THAT THE HOMEOWNER WILL NOT COMPLETE A REDEMPTION OF
4 THE PROPERTY;

5 (5) MAKE ANY OTHER STATEMENTS, DIRECTLY OR BY IMPLICATION, OR
6 ENGAGE IN ANY OTHER CONDUCT THAT IS FALSE, DECEPTIVE, OR MISLEADING, OR
7 THAT HAS THE LIKELIHOOD TO CAUSE CONFUSION OR MISUNDERSTANDING,
8 INCLUDING STATEMENTS REGARDING THE VALUE OF THE RESIDENCE IN
9 FORECLOSURE, THE AMOUNT OF PROCEEDS THE HOMEOWNER WILL RECEIVE
10 AFTER A FORECLOSURE SALE, ANY CONTRACT TERM, OR THE HOMEOWNER'S RIGHTS
11 OR OBLIGATIONS INCIDENT TO OR ARISING OUT OF THE FORECLOSURE
12 RECONVEYANCE; OR

13 (6) UNTIL THE HOMEOWNER'S RIGHT TO RESCIND OR CANCEL THE
14 TRANSACTION HAS EXPIRED:

15 (I) RECORD ANY DOCUMENT, INCLUDING AN INSTRUMENT OF
16 CONVEYANCE, SIGNED BY THE HOMEOWNER; OR

17 (II) TRANSFER OR ENCUMBER OR PURPORT TO TRANSFER OR
18 ENCUMBER ANY INTEREST IN THE RESIDENCE IN FORECLOSURE TO ANY THIRD
19 PARTY.

20 (C) FOR PURPOSES OF SUBSECTION (B)(1) OF THIS SECTION, THERE IS A
21 REBUTTABLE PRESUMPTION THAT:

22 (1) A HOMEOWNER HAS A REASONABLE ABILITY TO PAY FOR A
23 SUBSEQUENT RECONVEYANCE OF THE PROPERTY IF THE HOMEOWNER'S PAYMENTS
24 FOR PRIMARY HOUSING EXPENSES AND REGULAR PRINCIPAL AND INTEREST
25 PAYMENTS ON OTHER PERSONAL DEBT, ON A MONTHLY BASIS, DO NOT EXCEED 60%
26 OF THE HOMEOWNER'S MONTHLY GROSS INCOME; AND

27 (2) THE FORECLOSURE PURCHASER HAS NOT VERIFIED REASONABLE
28 PAYMENT ABILITY IF THE FORECLOSURE PURCHASER HAS NOT OBTAINED
29 DOCUMENTS OTHER THAN A STATEMENT BY THE HOMEOWNER OF ASSETS,
30 LIABILITIES, AND INCOME.

31 (D) (1) THE FORECLOSURE PURCHASER SHALL MAKE A DETAILED
32 ACCOUNTING OF THE BASIS FOR THE AMOUNT OF A PAYMENT MADE TO THE
33 HOMEOWNER OF A PROPERTY RESOLD WITHIN 18 MONTHS AFTER ENTERING INTO A
34 FORECLOSURE RECONVEYANCE AGREEMENT, IN ACCORDANCE WITH (B)(2)(II) OF
35 THIS SECTION.

36 (2) THE ACCOUNTING SHALL BE ON A FORM PRESCRIBED BY THE
37 ATTORNEY GENERAL IN CONSULTATION WITH THE COMMISSIONER OF FINANCIAL
38 REGULATION AND SHALL INCLUDE DETAILED DOCUMENTATION OF EXPENSES AND
39 OTHER CONSIDERATION PAID BY THE FORECLOSURE PURCHASER AND DEDUCTED
40 FROM THE RESALE PRICE.

1 (E) A BONA FIDE PURCHASER FOR VALUE OR BONA FIDE LENDER FOR VALUE
2 WHO ENTERS INTO A TRANSACTION WITH A HOMEOWNER OR A FORECLOSURE
3 PURCHASER WHEN A FORECLOSURE CONSULTING CONTRACT IS IN EFFECT OR
4 DURING THE PERIOD WHEN A FORECLOSURE RECONVEYANCE MAY BE RESCINDED,
5 WITHOUT NOTICE OF THOSE FACTS, RECEIVES GOOD TITLE TO THE PROPERTY, FREE
6 AND CLEAR OF THE RIGHT OF THE PARTIES TO THE FORECLOSURE CONSULTING
7 CONTRACT OR THE RIGHT OF THE HOMEOWNER TO RESCIND THE FORECLOSURE
8 RECONVEYANCE.

9 (F) THIS SUBTITLE MAY NOT BE CONSTRUED TO IMPOSE ANY DUTY ON A
10 PURCHASER, TITLE INSURER, OR TITLE INSURANCE PRODUCER WITH RESPECT TO
11 THE APPLICATION OF THE PROCEEDS OF A SALE OF PROPERTY BY A FORECLOSURE
12 PURCHASER.

13 7-312. RESERVED.

14 7-313. RESERVED.

15 PART IV. FORECLOSURE SURPLUS PURCHASERS.

16 7-314.

17 (A) EACH FORECLOSURE SURPLUS ACQUISITION SHALL BE IN THE FORM OF A
18 WRITTEN CONTRACT.

19 (B) EACH FORECLOSURE SURPLUS ACQUISITION CONTRACT SHALL:

20 (1) CONTAIN THE ENTIRE AGREEMENT OF THE PARTIES;

21 (2) BE PRINTED IN AT LEAST 12 POINT TYPE, IN THE SAME LANGUAGE
22 THAT IS USED BY THE HOMEOWNER AND WAS USED BY THE FORECLOSURE SURPLUS
23 PURCHASER AND THE HOMEOWNER TO NEGOTIATE THE SALE OF THE RESIDENCE IN
24 FORECLOSURE;

25 (3) BE FULLY COMPLETED, DATED, AND PERSONALLY SIGNED BY THE
26 HOMEOWNER AND THE FORECLOSURE SURPLUS PURCHASER BEFORE THE
27 STATEMENT OF ACCOUNT HAS BEEN REFERRED TO THE AUDITOR; AND

28 (4) INCLUDE:

29 (I) THE NAME, BUSINESS ADDRESS, AND TELEPHONE NUMBER OF
30 THE FORECLOSURE SURPLUS PURCHASER;

31 (II) THE ADDRESS OF THE RESIDENCE IN FORECLOSURE;

32 (III) THE TOTAL CONSIDERATION TO BE GIVEN BY THE
33 FORECLOSURE SURPLUS PURCHASER IN CONNECTION WITH OR INCIDENT TO THE
34 TRANSACTION;

1 (IV) A COMPLETE DESCRIPTION OF THE TERMS OF PAYMENT OR
2 OTHER CONSIDERATION, INCLUDING ANY SERVICES OF ANY NATURE THAT THE
3 FORECLOSURE SURPLUS PURCHASER REPRESENTS THE FORECLOSURE SURPLUS
4 PURCHASER WILL PERFORM FOR THE HOMEOWNER BEFORE OR AFTER THE SALE;
5 AND

6 (V) THE FOLLOWING NOTICE, WHICH SHALL BE PRINTED IN AT
7 LEAST 14 POINT BOLDFACE TYPE, COMPLETED WITH THE NAME OF THE
8 FORECLOSURE SURPLUS PURCHASER, AND LOCATED IN IMMEDIATE PROXIMITY TO
9 THE SPACE RESERVED FOR THE HOMEOWNER'S SIGNATURE:

10 "NOTICE REQUIRED BY MARYLAND LAW

11 ~~UNTIL YOUR RIGHT TO RESCIND THIS CONTRACT HAS ENDED, (NAME) OR~~
12 ~~ANYONE WORKING FOR (NAME) CANNOT ASK YOU TO SIGN OR HAVE YOU SIGN~~
13 ~~ANY DEED, CHECK, OR ANY OTHER DOCUMENT.~~

14 IF YOU HAVE ANY QUESTIONS ABOUT THIS DOCUMENT, SEEK LEGAL COUNSEL
15 BEFORE SIGNING. THIS IS AN IMPORTANT LEGAL CONTRACT. FAILURE TO READ
16 AND UNDERSTAND THESE DOCUMENTS MAY CAUSE YOU TO LOSE VALUABLE
17 RIGHTS.

18 THE EFFECT OF THESE DOCUMENTS IS THAT YOU MAY LOSE THE EQUITY IN
19 YOUR HOME. THIS AGREEMENT WILL NOT STOP THE FORECLOSURE OR GET
20 YOUR HOUSE BACK. IF YOU BELIEVE THE FORECLOSURE SALE WAS IMPROPER,
21 YOU SHOULD IMMEDIATELY SEEK LEGAL ADVICE TO DETERMINE WHAT
22 OBJECTIONS TO RATIFICATION OR TO RESCIND THE ORDER OF RATIFICATION
23 MAY BE FILED.

24 ~~IF YOU HAVE SIGNED THIS DOCUMENT, RETAIN ALL FUNDS RECEIVED AND~~
25 ~~PROMPTLY SEEK LEGAL ADVICE.~~

26 YOU MAY RESCIND THIS CONTRACT FOR THE SALE OF YOUR HOUSE WITHOUT
27 ANY PENALTY OR OBLIGATION AT ANY TIME WITHIN 10 DAYS AFTER THE
28 AUDITOR STATES THE ACCOUNT OF THE FORECLOSURE SALE. SEE THE
29 ATTACHED NOTICE OF RESCISSION FORM FOR AN EXPLANATION OF THIS
30 RIGHT. AS PART OF THE RESCISSION, YOU MUST REPAY FROM THE SURPLUS
31 PROCEEDS ANY CONSIDERATION RECEIVED, DIRECTLY OR INDIRECTLY,
32 TOGETHER WITH AN AMOUNT FOR INTEREST CALCULATED AT THE RATE OF 8%
33 A YEAR.

34 ~~THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF~~
35 ~~YOUR EQUITY IN YOUR HOME. CONTACT AN ATTORNEY BEFORE SIGNING."~~

36 (C) (1) THE CONTRACT SHALL BE ACCOMPANIED BY A COMPLETED FORM IN
37 DUPLICATE, CAPTIONED "NOTICE OF RESCISSION".

38 (2) THE NOTICE OF RESCISSION SHALL:

1 (I) BE ON A SEPARATE SHEET OF PAPER ATTACHED TO THE
2 CONTRACT;

3 (II) BE EASILY DETACHABLE; AND

4 (III) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT LEAST
5 15 POINT TYPE:

6 "NOTICE OF RESCISSION

7 (DATE OF CONTRACT)

8 YOU MAY RESCIND THIS CONTRACT FOR THE SALE OF YOUR HOUSE AT ANY
9 TIME WITHIN 10 DAYS AFTER THE AUDITOR STATES THE ACCOUNT OF THE
10 FORECLOSURE SALE.

11 TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY
12 OF THIS NOTICE OF RESCISSION TO (NAME OF
13 PURCHASER) AT (ADDRESS OF PURCHASER,
14 INCLUDING FACSIMILE AND ELECTRONIC MAIL) WITH A COPY TO THE COURT
15 APPOINTED AUDITOR.

16 I HEREBY RESCIND THIS TRANSACTION.

17 (DATE)

18 (HOMEOWNER'S SIGNATURE)".

19 (D) THE FORECLOSURE SURPLUS PURCHASER SHALL PROVIDE THE
20 HOMEOWNER WITH A COPY OF THE CONTRACT AND THE ATTACHED NOTICE OF
21 RESCISSION AT THE TIME THE CONTRACT IS EXECUTED BY ALL PARTIES.

22 (E) THE CONTRACT REQUIRED BY THIS SECTION SURVIVES DELIVERY OF ANY
23 INSTRUMENT OF CONVEYANCE OF THE RESIDENCE IN FORECLOSURE, IS BINDING IN
24 THE AUDIT, AND HAS NO EFFECT ON PERSONS OTHER THAN THE PARTIES TO THE
25 CONTRACT.

26 (F) ANY PROVISION IN A CONTRACT THAT ATTEMPTS OR PURPORTS TO WAIVE
27 ANY OF THE RIGHTS SPECIFIED IN THIS TITLE, CONSENT TO JURISDICTION OR
28 CHOICE OF LAW IN A STATE OTHER THAN MARYLAND, CONSENT TO VENUE IN A
29 COUNTY OTHER THAN THE COUNTY IN WHICH THE PROPERTY IS LOCATED, OR
30 IMPOSE ANY COSTS OR FILING FEES GREATER THAN THE FEES REQUIRED TO FILE
31 AN ACTION IN A CIRCUIT COURT, IS VOID.

32 7-315.

33 (A) IN ADDITION TO ANY OTHER RIGHT OF RESCISSION, A HOMEOWNER HAS
34 THE RIGHT TO RESCIND ANY CONTRACT WITH A FORECLOSURE SURPLUS
35 PURCHASER AT ANY TIME WITHIN 10 DAYS AFTER THE STATEMENT OF AUDIT
36 ACCOUNT OF THE FORECLOSURE SALE.

1 (B) (1) RESCISSION OCCURS WHEN THE HOMEOWNER DELIVERS, BY ANY
2 MEANS, WRITTEN NOTICE OF RESCISSION TO THE ADDRESS SPECIFIED IN THE
3 CONTRACT, WITH A COPY TO THE AUDITOR. AS PART OF THE RESCISSION, THE
4 HOMEOWNER SHALL REPAY ANY CONSIDERATION RECEIVED DIRECTLY OR
5 INDIRECTLY, TOGETHER WITH INTEREST CALCULATED AT THE RATE OF 8% A YEAR.

6 (2) ON RECEIPT OF THE NOTICE OF RESCISSION, THE AUDITOR SHALL
7 RESTATE THE ACCOUNT. THE REPAYMENT OF CONSIDERATION AND INTEREST BY
8 THE HOMEOWNER SHALL BE INCORPORATED BY THE AUDITOR INTO THE REVISED
9 STATEMENT OF ACCOUNT FILED WITH THE COURT.

10 (3) UPON RATIFICATION OF THE AMENDED AUDIT, THE ATTORNEY
11 NAMED IN THE MORTGAGE, MORTGAGE ASSIGNEE FOR PURPOSES OF FORECLOSURE,
12 TRUSTEE, OR SUBSTITUTE TRUSTEE IN MAKING DISTRIBUTION OF THE SURPLUS
13 FUNDS SHALL COMPLY WITH THE REVISED COURT-APPROVED AUDIT.

14 (C) A NOTICE OF RESCISSION GIVEN BY A HOMEOWNER NEED NOT BE IN THE
15 FORM PROVIDED WITH THE CONTRACT AND IS EFFECTIVE, HOWEVER EXPRESSED, IF
16 IT INDICATES THE INTENTION OF THE HOMEOWNER TO RESCIND THE CONTRACT.

17 (D) THE RIGHT TO RESCIND MAY NOT BE CONDITIONED ON THE REPAYMENT
18 OF ANY FUNDS.

19 (E) WITHIN 10 DAYS AFTER RECEIPT OF A NOTICE OF RESCISSION GIVEN IN
20 ACCORDANCE WITH THIS SECTION, THE FORECLOSURE SURPLUS PURCHASER SHALL
21 RETURN, WITHOUT CONDITION, THE ORIGINAL CONTRACT AND ALL OTHER
22 DOCUMENTS SIGNED BY THE HOMEOWNER.

23 7-316. RESERVED.

24 7-317. RESERVED.

25 PART V. PROHIBITED ACTS; ENFORCEMENT AND PENALTIES.

26 7-318.

27 (A) A PERSON MAY NOT INDUCE OR ATTEMPT TO INDUCE A HOMEOWNER TO
28 WAIVE THE HOMEOWNER'S RIGHTS UNDER THIS SUBTITLE.

29 (B) ANY WAIVER BY A HOMEOWNER OF THE PROVISIONS OF THIS SUBTITLE IS
30 VOID AND UNENFORCEABLE AS CONTRARY TO PUBLIC POLICY.

31 7-319.

32 (A) THE ATTORNEY GENERAL MAY SEEK AN INJUNCTION TO PROHIBIT A
33 PERSON WHO HAS ENGAGED OR IS ENGAGING IN A VIOLATION OF THIS SUBTITLE
34 FROM ENGAGING OR CONTINUING TO ENGAGE IN THE VIOLATION.

35 (B) THE COURT MAY ENTER ANY ORDER OR JUDGMENT NECESSARY TO:

1 (1) PREVENT THE USE BY A PERSON OF ANY PROHIBITED PRACTICE;

2 (2) RESTORE TO A PERSON ANY MONEY OR REAL OR PERSONAL
3 PROPERTY ACQUIRED FROM THE PERSON BY MEANS OF ANY PROHIBITED PRACTICE;
4 OR

5 (3) APPOINT A RECEIVER IN CASE OF WILLFUL VIOLATION OF THIS
6 TITLE.

7 (C) IN ANY ACTION BROUGHT BY THE ATTORNEY GENERAL UNDER THIS
8 SECTION, THE ATTORNEY GENERAL IS ENTITLED TO RECOVER THE COSTS OF THE
9 ACTION FOR THE USE OF THE STATE.

10 7-320.

11 (A) IN ADDITION TO ANY ACTION BY THE ATTORNEY GENERAL AUTHORIZED
12 UNDER THIS SUBTITLE AND ANY OTHER ACTION OTHERWISE AUTHORIZED BY LAW, A
13 HOMEOWNER MAY BRING AN ACTION FOR DAMAGES INCURRED AS THE RESULT OF A
14 PRACTICE PROHIBITED BY THIS SUBTITLE.

15 (B) A HOMEOWNER WHO BRINGS AN ACTION UNDER THIS SECTION AND WHO
16 IS AWARDED DAMAGES MAY ALSO SEEK, AND THE COURT MAY AWARD, REASONABLE
17 ATTORNEY'S FEES.

18 (C) IF THE COURT FINDS THAT THE DEFENDANT WILLFULLY OR KNOWINGLY
19 VIOLATED THIS SUBTITLE, THE COURT MAY AWARD DAMAGES EQUAL TO THREE
20 TIMES THE AMOUNT OF ACTUAL DAMAGES.

21 7-321.

22 (A) A PERSON WHO VIOLATES ANY PROVISION OF THIS SUBTITLE IS GUILTY
23 OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT
24 EXCEEDING 3 YEARS OR A FINE NOT EXCEEDING \$10,000 OR BOTH.

25 (B) A PERSON WHO VIOLATES THIS SUBTITLE IS SUBJECT TO § 5-106(B) OF THE
26 COURTS ARTICLE.

27 **Article - Commercial Law**

28 13-204.

29 In addition to any other of its powers and duties, the Division has the powers
30 and duties to:

31 (12) In accordance with § 13-205 of this subtitle, adopt rules, regulations,
32 and standards which:

33 (i) Are necessary to assure the orderly operation of the Division;

34 and

1 (ii) Further define unfair or deceptive trade practices for purposes
2 of this title; [and]

3 (13) Enter into reciprocal agreements with consumer protection agencies
4 of other states, in which each state mutually agrees to receive and investigate
5 complaints from the foreign state's consumer protection agency on behalf of their
6 consumers against businesses in the receiving and investigating state; AND

7 (14) (I) MAINTAIN A LIST OF NONPROFIT ORGANIZATIONS THAT:

8 1. SOLELY OFFER COUNSELING OR ADVICE TO
9 HOMEOWNERS IN FORECLOSURE OR LOAN DEFAULT; AND

10 2. ARE NOT DIRECTLY OR INDIRECTLY RELATED TO AND DO
11 NOT CONTRACT FOR SERVICES WITH FOR PROFIT LENDERS OR FORECLOSURE
12 PURCHASERS, AS DEFINED IN § 7-301 OF THE REAL PROPERTY ARTICLE; AND

13 (II) PROVIDE THE NAME AND TELEPHONE NUMBER OF AN
14 ORGANIZATION ON THE LIST TO A HOMEOWNER WHO CONTACTS THE DIVISION
15 AFTER RECEIVING A NOTICE UNDER § 7-105(A-1) OF THE REAL PROPERTY ARTICLE.

16 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
17 ~~October 1, 2005.~~

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
19 measure, is necessary for the immediate preservation of the public health or safety,
20 has been passed by a ye and nay vote supported by three-fifths of all the members
21 elected to each of the two Houses of the General Assembly, and shall take effect from
22 the date it is enacted.