

UNOFFICIAL COPY OF SENATE BILL 761  
EMERGENCY BILL

N1

(5lr1509)

**ENROLLED BILL**

-- *Judicial Proceedings/Environmental Matters and Economic Matters* --

Introduced by **Senator Frosh**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

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

1 provisions of this Act; providing for the effect and construction of certain  
2 provisions of this Act; requiring a certain notice to be sent to certain record  
3 owners; requiring the Consumer Protection Division of the Office of the Attorney  
4 General to maintain a list of certain nonprofit organizations and to provide  
5 certain information to certain homeowners; defining certain terms; making this  
6 Act an emergency measure; and generally relating to foreclosure.

7 ~~BY repealing and reenacting, with amendments,~~  
8 ~~Article - Real Property~~  
9 ~~Section 7-105(b)~~  
10 ~~Annotated Code of Maryland~~  
11 ~~(2003 Replacement Volume and 2004 Supplement)~~

12 BY adding to  
13 Article - Real Property  
14 Section ~~7-105(h)~~ 7-105(a-1) and (h); and 7-301 through 7-321, inclusive, to be  
15 under the new subtitle "Subtitle 3. Protection of Homeowners in  
16 Foreclosure"  
17 Annotated Code of Maryland  
18 (2003 Replacement Volume and 2004 Supplement)

19 BY repealing and reenacting, without amendments,  
20 Article - Real Property  
21 Section 7-105(b)  
22 Annotated Code of Maryland  
23 (2003 Replacement Volume and 2004 Supplement)

24 BY repealing and reenacting, with amendments,  
25 Article - Commercial Law  
26 Section 13-204(12) and (13)  
27 Annotated Code of Maryland  
28 (2000 Replacement Volume and 2004 Supplement)

29 BY adding to  
30 Article - Commercial Law  
31 Section 13-204(14)  
32 Annotated Code of Maryland  
33 (2000 Replacement Volume and 2004 Supplement)

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

1

**Article - Real Property**

2 7-105.

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

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

11 (3) (I) THE WRITTEN NOTICE SHALL BE SENT ~~WITHIN~~ NO LATER THAN  
12 2 DAYS AFTER THE ACTION TO FORECLOSE IS DOCKETED:

13 1. BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT  
14 REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES POSTAL SERVICE, TO  
15 THE RECORD OWNER; AND

16 2. BY FIRST CLASS MAIL.

17 (II) THE NOTICE SHALL STATE THAT AN ACTION TO FORECLOSE  
18 THE MORTGAGE OR DEED OF TRUST *MAY BE OR* HAS BEEN DOCKETED AND THAT A  
19 FORECLOSURE SALE OF THE PROPERTY WILL BE HELD.

20 (III) THE NOTICE SHALL CONTAIN THE FOLLOWING STATEMENT  
21 PRINTED IN AT LEAST 14 POINT BOLDFACE TYPE:

22 "NOTICE REQUIRED BY MARYLAND LAW

23 MORTGAGE FORECLOSURE IS A COMPLEX PROCESS. SOME PEOPLE MAY  
24 APPROACH YOU ABOUT "SAVING" YOUR HOME. YOU SHOULD BE CAREFUL ABOUT ANY  
25 SUCH PROMISES.

26 THE STATE ENCOURAGES YOU TO BECOME INFORMED ABOUT YOUR OPTIONS  
27 IN FORECLOSURE BEFORE ENTERING INTO ANY AGREEMENTS WITH ANYONE IN  
28 CONNECTION WITH THE FORECLOSURE OF YOUR HOME. THERE ARE GOVERNMENT  
29 AGENCIES AND NONPROFIT ORGANIZATIONS THAT YOU MAY CONTACT FOR  
30 HELPFUL INFORMATION ABOUT THE FORECLOSURE PROCESS. FOR THE NAME AND  
31 TELEPHONE NUMBER OF AN ORGANIZATION NEAR YOU, PLEASE CALL THE  
32 CONSUMER PROTECTION DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL OF  
33 MARYLAND AT 1-888-743-0023. THE STATE DOES NOT GUARANTEE THE ADVICE OF  
34 THESE ORGANIZATIONS.

35 DO NOT DELAY DEALING WITH THE FORECLOSURE BECAUSE YOUR OPTIONS  
36 MAY BECOME MORE LIMITED AS TIME PASSES."

1 (b) (1) (i) In this subsection, "record owner" means the person holding  
2 record title to property as of the later of:

- 3 1. 30 days before the day on which a foreclosure sale of the  
4 property is actually held; and  
5 2. The date on which an action to foreclose the mortgage or  
6 deed of trust is filed.

7 (ii) In addition to any notice required to be given by provisions of  
8 the Annotated Code of Maryland or the Maryland Rules, the person authorized to  
9 make a sale in an action to foreclose a mortgage or deed of trust shall give written  
10 notice of the proposed sale to the record owner of the property to be sold.

11 (2) (i) The written notice shall be sent:

- 12 1. By certified mail, postage prepaid, return receipt  
13 requested, bearing a postmark from the United States Postal Service, to the record  
14 owner; and  
15 2. By first class mail.

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

19 (III) ~~THE NOTICE SHALL CONTAIN THE FOLLOWING STATEMENT~~  
20 ~~PRINTED IN AT LEAST 14 POINT BOLDFACE TYPE:~~

21 ~~"NOTICE REQUIRED BY MARYLAND LAW~~

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

25 ~~THE STATE ENCOURAGES YOU TO BECOME INFORMED ABOUT YOUR OPTIONS~~  
26 ~~IN FORECLOSURE BEFORE ENTERING INTO ANY AGREEMENTS WITH ANYONE IN~~  
27 ~~CONNECTION WITH THE FORECLOSURE OF YOUR HOME. THERE ARE GOVERNMENT~~  
28 ~~AGENCIES AND NONPROFIT ORGANIZATIONS THAT YOU MAY CONTACT FOR~~  
29 ~~HELPFUL INFORMATION ABOUT THE FORECLOSURE PROCESS. FOR THE NAME AND~~  
30 ~~TELEPHONE NUMBER OF AN ORGANIZATION NEAR YOU, PLEASE CALL THE~~  
31 ~~CONSUMER PROTECTION DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL OF~~  
32 ~~MARYLAND AT 1 (888) 743 0023. THE STATE DOES NOT GUARANTEE THE ADVICE OF~~  
33 ~~THESE ORGANIZATIONS.~~

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

36 {(iii)} (IV) The person giving the notice shall file in the proceedings:

- 1 1. A return receipt; or
- 2 2. An affidavit that:
- 3 A. The provisions of this paragraph have been complied with;
- 4 or
- 5 B. The address of the record owner is not reasonably
- 6 ascertainable.

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

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

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

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

19 (1) DOES NOT AFFECT THE PRIOR RATIFICATION OF THE SALE AND  
 20 DOES NOT RESTORE TO THE MORTGAGOR OR FORMER RECORD OWNER ANY RIGHT  
 21 OR REMEDY THAT WAS EXTINGUISHED BY THE PRIOR SALE AND ITS RATIFICATION;  
 22 AND

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

25 SUBTITLE 3. PROTECTION OF HOMEOWNERS IN FORECLOSURE.

26 PART I. DEFINITIONS; GENERAL PROVISIONS.

27 7-301.

28 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
 29 INDICATED.

30 ~~(B)~~ ~~(1)~~ ~~"CONSIDERATION" MEANS ANY PAYMENT OR THING OF VALUE~~  
 31 ~~PROVIDED TO A HOMEOWNER BY A FORECLOSURE CONSULTANT OR FORECLOSURE~~  
 32 ~~PURCHASER.~~

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

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

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

5                    ~~(III)~~       REASONABLE COSTS PAID TO THIRD PARTIES NECESSARY TO  
6 COMPLETE A FORECLOSURE RECONVEYANCE TRANSACTION OR TO AVOID  
7 FORECLOSURE;

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

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

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

18       ~~(C)~~       ~~(B)~~       "FORECLOSURE CONSULTANT" MEANS A PERSON WHO:

19                    ~~(1)~~       ~~DIRECTLY OR INDIRECTLY MAKES ANY SOLICITATION,~~  
20 ~~REPRESENTATION, OR OFFER TO A HOMEOWNER TO PERFORM, WITH OR WITHOUT~~  
21 ~~COMPENSATION, OR WHO PERFORMS, WITH OR WITHOUT COMPENSATION, ANY~~  
22 ~~SERVICE THAT THE PERSON REPRESENTS WILL IN ANY MANNER SOLICITS OR~~  
23 ~~CONTACTS A HOMEOWNER IN WRITING, IN PERSON, OR THROUGH ANY ELECTRONIC~~  
24 ~~OR TELECOMMUNICATIONS MEDIUM AND DIRECTLY OR INDIRECTLY MAKES A~~  
25 ~~REPRESENTATION OR OFFER TO PERFORM ANY SERVICE THAT THE PERSON~~  
26 ~~REPRESENTS WILL:~~

27                    ~~(I)~~       STOP, ENJOIN, DELAY, VOID, SET ASIDE, ANNUL, STAY, OR  
28 POSTPONE A FORECLOSURE SALE;

29                    ~~(II)~~       OBTAIN FORBEARANCE FROM ANY SERVICER, BENEFICIARY OR  
30 MORTGAGEE;

31                    ~~(III)~~       ASSIST THE HOMEOWNER TO EXERCISE A RIGHT OF  
32 REINSTATEMENT PROVIDED IN THE LOAN DOCUMENTS OR TO REFINANCE A LOAN  
33 THAT IS IN FORECLOSURE AND FOR WHICH NOTICE OF FORECLOSURE PROCEEDINGS  
34 HAS BEEN PUBLISHED;

35                    ~~(IV)~~       OBTAIN AN EXTENSION OF THE PERIOD WITHIN WHICH THE  
36 HOMEOWNER MAY REINSTATE THE HOMEOWNER'S OBLIGATION OR EXTEND THE  
37 DEADLINE TO OBJECT TO A RATIFICATION;

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

4 (VI) ASSIST THE HOMEOWNER TO OBTAIN A LOAN OR ADVANCE OF  
5 FUNDS;

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

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

10 (IX) PURCHASE OR OBTAIN AN OPTION TO PURCHASE THE  
11 HOMEOWNER'S RESIDENCE WITHIN 20 DAYS OF AN ADVERTISED OR DOCKETED  
12 FORECLOSURE SALE;

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

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

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

20 (2) SYSTEMATICALLY CONTACTS OWNERS OF PROPERTY THAT COURT  
21 RECORDS OR NEWSPAPER ADVERTISEMENTS SHOW ARE IN FORECLOSURE OR IN  
22 DANGER OF FORECLOSURE.

23 ~~(D)~~ (C) "FORECLOSURE CONSULTING CONTRACT" MEANS A WRITTEN, ORAL,  
24 OR EQUITABLE AGREEMENT BETWEEN A FORECLOSURE CONSULTANT AND A  
25 HOMEOWNER FOR THE PROVISION OF ANY FORECLOSURE CONSULTING SERVICE OR  
26 FORECLOSURE RECONVEYANCE.

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

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

29 ~~(2)~~ (1) RECEIVING MONEY FOR THE PURPOSE OF DISTRIBUTING IT TO  
30 CREDITORS IN PAYMENT OR PARTIAL PAYMENT OF ANY OBLIGATION SECURED BY A  
31 LIEN ON A RESIDENCE IN FORECLOSURE;

32 ~~(3)~~ (2) CONTACTING CREDITORS ON BEHALF OF A HOMEOWNER;

33 ~~(4)~~ (3) ARRANGING OR ATTEMPTING TO ARRANGE FOR AN EXTENSION  
34 OF THE PERIOD WITHIN WHICH A HOMEOWNER MAY CURE THE HOMEOWNER'S  
35 DEFAULT AND REINSTATE THE HOMEOWNER'S OBLIGATION;

1           ~~(5)~~   (4)     ARRANGING OR ATTEMPTING TO ARRANGE FOR ANY DELAY OR  
2 POSTPONEMENT OF THE SALE OF A RESIDENCE IN FORECLOSURE;

3           ~~(6)~~     ~~ADVISING THE FILING OF ANY DOCUMENT OR ASSISTING IN ANY~~  
4 ~~MANNER IN THE PREPARATION OF ANY DOCUMENT FOR FILING WITH A~~  
5 ~~BANKRUPTCY COURT OR IN A STATE COURT;~~

6           ~~(7)~~     ~~GIVING ANY ADVICE, EXPLANATION, OR INSTRUCTION TO A~~  
7 ~~HOMEOWNER THAT IN ANY MANNER RELATES TO THE CURE OF A DEFAULT IN OR~~  
8 ~~THE REINSTATEMENT OF AN OBLIGATION SECURED BY A LIEN ON THE RESIDENCE~~  
9 ~~IN FORECLOSURE, THE FULL SATISFACTION OF THAT OBLIGATION, OR THE~~  
10 ~~POSTPONEMENT OR AVOIDANCE OF A SALE OF A RESIDENCE IN FORECLOSURE~~  
11 ~~UNDER A POWER OF SALE OR AN ASSENT TO A DECREE CONTAINED IN ANY~~  
12 ~~MORTGAGE OR DEED OF TRUST;~~

13          ~~(8)~~   (5)     ARRANGING OR FACILITATING THE PURCHASE OF A  
14 HOMEOWNER'S EQUITY OF REDEMPTION OR LEGAL OR EQUITABLE TITLE WITHIN 20  
15 DAYS OF AN ADVERTISED OR DOCKETED FORECLOSURE SALE;

16          ~~(9)~~   (6)     ARRANGING OR FACILITATING ANY TRANSACTION THROUGH  
17 WHICH A HOMEOWNER WILL BECOME A LESSEE, OPTIONEE, LIFE TENANT, PARTIAL  
18 HOMEOWNER, OR VESTED OR CONTINGENT REMAINDERMAN OF THE HOMEOWNER'S  
19 RESIDENCE;

20          ~~(10)~~ (7)    ARRANGING OR FACILITATING THE SALE OF A HOMEOWNER'S  
21 RESIDENCE OR THE TRANSFER OF LEGAL TITLE, IN ANY FORM, TO ANOTHER PARTY  
22 AS AN ALTERNATIVE TO FORECLOSURE;

23          ~~(11)~~ (8)     ARRANGING FOR A HOMEOWNER TO HAVE AN OPTION TO  
24 REPURCHASE THE HOMEOWNER'S RESIDENCE AFTER A SALE OR TRANSFER;

25          ~~(12)~~ (9)     ARRANGING FOR OR FACILITATING A HOMEOWNER REMAINING  
26 IN THE HOMEOWNER'S RESIDENCE AS A TENANT, RENTER, OR LESSEE; OR

27          ~~(13)~~ (10)   ARRANGING OR FACILITATING ANY OTHER GRANT,  
28 CONVEYANCE, SALE, LEASE, TRUST, OR GIFT BY WHICH A HOMEOWNER CLOGS THE  
29 HOMEOWNER'S EQUITY OF REDEMPTION IN THE HOMEOWNER'S RESIDENCE.

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

33   ~~(G)~~   (F)     "FORECLOSURE RECONVEYANCE" MEANS A TRANSACTION  
34 INVOLVING:

35           (1)     THE TRANSFER OF TITLE TO REAL PROPERTY BY A HOMEOWNER  
36 DURING OR INCIDENT TO A PROPOSED FORECLOSURE PROCEEDING, EITHER BY  
37 TRANSFER OF INTEREST FROM THE HOMEOWNER TO ANOTHER PARTY OR BY  
38 CREATION OF A MORTGAGE, TRUST, OR OTHER LIEN OR ENCUMBRANCE DURING THE



1 FORECLOSURE PROCESS THAT ALLOWS THE ACQUIRER TO OBTAIN LEGAL OR  
2 EQUITABLE TITLE TO ALL OR PART OF THE PROPERTY; AND

3 (2) THE SUBSEQUENT CONVEYANCE, OR PROMISE OF A SUBSEQUENT  
4 CONVEYANCE, OF AN INTEREST BACK TO THE HOMEOWNER BY THE ACQUIRER OR A  
5 PERSON ACTING IN PARTICIPATION WITH THE ACQUIRER THAT ALLOWS THE  
6 HOMEOWNER TO POSSESS THE REAL PROPERTY FOLLOWING THE COMPLETION OF  
7 THE FORECLOSURE PROCEEDING, INCLUDING AN INTEREST IN A CONTRACT FOR  
8 DEED, PURCHASE AGREEMENT, LAND INSTALLMENT SALE, CONTRACT FOR SALE,  
9 OPTION TO PURCHASE, LEASE, TRUST, OR OTHER CONTRACTUAL ARRANGEMENT.

10 ~~(H)~~ (G) "FORECLOSURE SURPLUS ACQUISITION" MEANS A TRANSACTION  
11 INVOLVING THE TRANSFER, SALE, OR ASSIGNMENT OF THE SURPLUS REMAINING  
12 AND DUE THE HOMEOWNER BASED ON THE AUDIT ACCOUNT DURING A  
13 FORECLOSURE PROCEEDING.

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

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

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

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

31 7-302.

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

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

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

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

6                   (II)    ANY SUBSIDIARY, AFFILIATE, OR AGENT OF A PERSON  
 7 DESCRIBED IN ITEM (I) OF THIS ITEM, WHILE THE SUBSIDIARY, AFFILIATE, OR AGENT  
 8 PERFORMS SERVICES AS A PART OF THE SUBSIDIARY'S, AFFILIATE'S, OR AGENT'S  
 9 NORMAL BUSINESS ACTIVITIES;

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

13           (5)    A TITLE INSURER AUTHORIZED TO CONDUCT BUSINESS IN THE  
 14 STATE, WHILE PERFORMING TITLE INSURANCE AND SETTLEMENT SERVICES;

15           (6)    A TITLE INSURANCE PRODUCER LICENSED IN THE STATE, WHILE  
 16 PERFORMING SERVICES IN ACCORDANCE WITH THE PERSON'S LICENSE; ~~OR~~

17           (7)    A PERSON LICENSED AS A MORTGAGE BROKER OR MORTGAGE  
 18 LENDER UNDER TITLE 11, SUBTITLE 5 OF THE FINANCIAL INSTITUTIONS ARTICLE  
 19 WHILE ACTING UNDER THE AUTHORITY OF THAT LICENSE;

20           (8)    A PERSON LICENSED AS A REAL ESTATE BROKER, ASSOCIATE REAL  
 21 ESTATE BROKER, OR REAL ESTATE SALESPERSON UNDER TITLE 17 OF THE BUSINESS  
 22 OCCUPATIONS AND PROFESSIONS ARTICLE, WHILE THE PERSON ENGAGES IN ANY  
 23 ACTIVITY FOR WHICH THE PERSON IS LICENSED UNDER THOSE PROVISIONS SO  
 24 LONG AS ANY CONVEYANCE OR TRANSFER OF DEED, TITLE, OR ESTABLISHMENT OF  
 25 EQUITABLE INTEREST IS DONE THROUGH A SETTLEMENT AS DEFINED IN §  
 26 7-311(A)(5) OF THIS SUBTITLE; OR

27           ~~(2)~~   ~~(7)~~   (9)    A NONPROFIT ORGANIZATION THAT SOLELY OFFERS  
 28 COUNSELING OR ADVICE TO HOMEOWNERS IN FORECLOSURE OR LOAN DEFAULT, IF  
 29 THE ORGANIZATION IS NOT DIRECTLY OR INDIRECTLY RELATED TO AND DOES NOT  
 30 CONTRACT FOR SERVICES WITH FOR-PROFIT LENDERS OR FORECLOSURE  
 31 PURCHASERS.

32    (B)    THIS SUBTITLE DOES APPLY TO AN INDIVIDUAL WHO:

33           (1)    IS FUNCTIONING IN A POSITION LISTED UNDER SUBSECTION (A) OF  
 34 THIS SECTION; AND

35           (2)    IS ENGAGING IN ACTIVITIES OR PROVIDING SERVICES DESIGNED OR  
 36 INTENDED TO TRANSFER TITLE TO A RESIDENCE IN FORECLOSURE DIRECTLY OR  
 37 INDIRECTLY TO THAT INDIVIDUAL, OR AN AGENT OR AFFILIATE OF THAT  
 38 INDIVIDUAL.

1 7-303. RESERVED.

2 7-304. RESERVED.

3

PART II. FORECLOSURE CONSULTANTS.

4 7-305.

5 (A) IN ADDITION TO ANY OTHER RIGHT UNDER LAW TO CANCEL OR RESCIND  
6 A CONTRACT, A HOMEOWNER HAS THE RIGHT TO:

7 (1) RESCIND A FORECLOSURE CONSULTING CONTRACT AT ANY TIME;  
8 AND

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

12 (B) RESCISSION OCCURS WHEN THE HOMEOWNER GIVES WRITTEN NOTICE  
13 OF RESCISSION TO THE FORECLOSURE CONSULTANT AT THE ADDRESS SPECIFIED IN  
14 THE CONTRACT OR THROUGH ANY FACSIMILE OR ELECTRONIC MAIL ADDRESS  
15 IDENTIFIED IN THE CONTRACT OR OTHER MATERIALS PROVIDED TO THE  
16 HOMEOWNER BY THE FORECLOSURE CONSULTANT.

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

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

24 (E) AS PART OF THE RESCISSION OF A FORECLOSURE CONSULTING  
25 CONTRACT OR FORECLOSURE RECONVEYANCE, THE HOMEOWNER SHALL REPAY,  
26 WITHIN 60 DAYS FROM THE DATE OF RESCISSION, ANY FUNDS PAID OR ADVANCED  
27 BY THE FORECLOSURE CONSULTANT OR ANYONE WORKING WITH THE  
28 FORECLOSURE CONSULTANT UNDER THE TERMS OF THE FORECLOSURE  
29 CONSULTING CONTRACT OR FORECLOSURE RECONVEYANCE, TOGETHER WITH  
30 INTEREST CALCULATED AT THE RATE OF 8% A YEAR.

31 (F) THE RIGHT TO RESCIND MAY NOT BE CONDITIONED ON THE REPAYMENT  
32 OF ANY FUNDS.

33 7-306.

34 (A) A FORECLOSURE CONSULTING CONTRACT SHALL:

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

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

8 (3) FULLY DISCLOSE THE EXACT NATURE OF THE FORECLOSURE  
9 CONSULTING SERVICES TO BE PROVIDED, INCLUDING ANY FORECLOSURE  
10 RECONVEYANCE THAT MAY BE INVOLVED, AND THE TOTAL AMOUNT AND TERMS OF  
11 ANY COMPENSATION TO BE RECEIVED BY THE FORECLOSURE CONSULTANT OR  
12 ANYONE WORKING IN ASSOCIATION WITH THE CONSULTANT;

13 (4) BE DATED AND PERSONALLY SIGNED BY THE HOMEOWNER AND THE  
14 FORECLOSURE CONSULTANT AND BE WITNESSED AND ACKNOWLEDGED BY A  
15 NOTARY PUBLIC APPOINTED AND COMMISSIONED BY THE STATE; AND

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

20 "NOTICE REQUIRED BY MARYLAND LAW

21 ~~..... (NAME) OR ANYONE WORKING FOR HIM OR HER CANNOT TAKE ANY~~  
22 ~~MONEY FROM YOU OR ASK YOU FOR MONEY UNTIL ..... (NAME) HAS~~  
23 ~~COMPLETELY FINISHED DOING EVERYTHING ..... (NAME) SAID HE OR SHE~~  
24 ~~WOULD DO.~~

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

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

34 ~~YOU, THE HOMEOWNER, MAY RESCIND THIS CONTRACT AT ANY TIME. IF A~~  
35 ~~TRANSFER OF THE DEED OR TITLE TO YOUR PROPERTY IS INVOLVED IN ANY~~  
36 ~~WAY, YOU MAY RESCIND THE TRANSFER ANY TIME WITHIN 10 3 DAYS AFTER~~  
37 ~~THE DATE YOU SIGN THE DEED OR OTHER DOCUMENT OF SALE OR TRANSFER.~~  
38 ~~SEE THE ATTACHED NOTICE OF RESCISSION FORM FOR AN EXPLANATION OF~~  
39 ~~THIS RIGHT. AS PART OF ANY RESCISSION, YOU MUST REPAY, WITHIN 60 DAYS,~~

1 ANY MONEY SPENT ON YOUR BEHALF AS A RESULT OF THIS AGREEMENT,  
2 ALONG WITH INTEREST CALCULATED AT THE RATE OF 8% A YEAR.

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

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

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

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

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

12 (2) THE NOTICE OF RESCISSION SHALL:

13 (I) BE ON A SEPARATE SHEET OF PAPER ATTACHED TO THE  
14 CONTRACT;

15 (II) BE EASILY DETACHABLE; AND

16 (III) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT LEAST  
17 15 POINT TYPE:

18 "NOTICE OF RESCISSION

19 (DATE OF CONTRACT)

20 YOU MAY CANCEL OR RESCIND THIS CONTRACT, WITHOUT ANY PENALTY, AT  
21 ANY TIME.

22 IF YOU WANT TO END THIS CONTRACT, MAIL OR DELIVER A SIGNED AND DATED  
23 COPY OF THIS NOTICE OF RESCISSION, OR ANY OTHER WRITTEN NOTICE  
24 INDICATING YOUR INTENT TO RESCIND TO (NAME OF FORECLOSURE  
25 CONSULTANT) AT (ADDRESS OF FORECLOSURE CONSULTANT, INCLUDING  
26 FACSIMILE AND ELECTRONIC MAIL).

27 AS PART OF ANY RESCISSION, YOU (THE HOMEOWNER) MUST REPAY ANY  
28 MONEY SPENT ON YOUR BEHALF AS A RESULT OF THIS AGREEMENT, WITHIN 60  
29 DAYS, 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 NOTICE OF RESCISSION

1 TO: (NAME OF FORECLOSURE CONSULTANT)  
2 (ADDRESS OF FORECLOSURE CONSULTANT, INCLUDING FACSIMILE AND  
3 ELECTRONIC MAIL)

4 I HEREBY RESCIND THIS CONTRACT.

5 ..... (DATE)  
6 ..... (HOMEOWNER'S SIGNATURE)".

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

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

13 (F) ANY PROVISION IN A FORECLOSURE CONSULTING CONTRACT THAT  
14 ATTEMPTS OR PURPORTS TO WAIVE ANY OF THE RIGHTS SPECIFIED IN THIS TITLE,  
15 CONSENT TO JURISDICTION FOR LITIGATION OR CHOICE OF LAW IN A STATE OTHER  
16 THAN MARYLAND, CONSENT TO VENUE IN A COUNTY OTHER THAN THE COUNTY IN  
17 WHICH THE PROPERTY IS LOCATED, OR IMPOSE ANY COSTS OR FILING FEES  
18 GREATER THAN THE FEES REQUIRED TO FILE AN ACTION IN A CIRCUIT COURT, IS  
19 VOID.

20 7-307.

21 A FORECLOSURE CONSULTANT MAY NOT:

22 (1) CLAIM, DEMAND, CHARGE, COLLECT, OR RECEIVE ANY  
23 COMPENSATION UNTIL AFTER THE FORECLOSURE CONSULTANT HAS FULLY  
24 PERFORMED EACH AND EVERY SERVICE THE FORECLOSURE CONSULTANT  
25 CONTRACTED TO PERFORM OR REPRESENTED THAT THE FORECLOSURE  
26 CONSULTANT WOULD PERFORM;

27 (2) CLAIM, DEMAND, CHARGE, COLLECT, OR RECEIVE ANY ~~FE~~,  
28 INTEREST, OR ANY OTHER COMPENSATION FOR ~~ANY REASON THAT EXCEEDS 8% A~~  
29 ~~YEAR OF THE AMOUNT OF~~ ANY LOAN THAT THE FORECLOSURE CONSULTANT MAKES  
30 TO THE HOMEOWNER THAT EXCEEDS 8% A YEAR;

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

34 (4) RECEIVE ANY CONSIDERATION FROM ANY THIRD PARTY IN  
35 CONNECTION WITH FORECLOSURE CONSULTING SERVICES PROVIDED TO A  
36 HOMEOWNER UNLESS THE CONSIDERATION IS FIRST FULLY DISCLOSED IN WRITING  
37 TO THE HOMEOWNER;

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

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

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

11 7-308. RESERVED.

12 7-309. RESERVED.

13 PART III. FORECLOSURE PURCHASERS.

14 7-310.

15 (A) IF A FORECLOSURE RECONVEYANCE IS INCLUDED IN A FORECLOSURE  
16 CONSULTING CONTRACT OR ARRANGED AFTER THE EXECUTION OF A FORECLOSURE  
17 CONSULTING CONTRACT, THE FORECLOSURE PURCHASER SHALL PROVIDE THE  
18 HOMEOWNER WITH A DOCUMENT ENTITLED "NOTICE OF TRANSFER OF DEED OR  
19 TITLE".

20 (B) THE DOCUMENT ENTITLED "NOTICE OF TRANSFER OF DEED OR TITLE"  
21 SHALL:

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

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

27 (3) BE DATED AND PERSONALLY SIGNED BY THE HOMEOWNER AND THE  
28 FORECLOSURE PURCHASER AND WITNESSED AND ACKNOWLEDGED BY A NOTARY  
29 PUBLIC APPOINTED AND COMMISSIONED BY THE STATE;

30 (4) DESCRIBE IN DETAIL THE TERMS OF ANY FORECLOSURE  
31 CONVEYANCE INCLUDING:

32 (I) THE NAME, BUSINESS ADDRESS, TELEPHONE NUMBER, AND  
33 FACSIMILE NUMBER OF THE PERSON TO WHOM THE DEED OR TITLE WILL BE  
34 TRANSFERRED;

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

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

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

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

9 (VI) A DESCRIPTION OF ANY SERVICES OF ANY NATURE THAT THE  
10 FORECLOSURE PURCHASER WILL PERFORM FOR THE HOMEOWNER BEFORE OR  
11 AFTER THE SALE OR TRANSFER;

12 (VII) A COMPLETE DESCRIPTION OF THE TERMS OF ANY RELATED  
13 AGREEMENT DESIGNED TO ALLOW THE HOMEOWNER TO REMAIN IN THE HOME,  
14 INCLUDING THE TERMS OF ANY RENTAL AGREEMENT, REPURCHASE AGREEMENT,  
15 CONTRACT FOR DEED, LAND INSTALLMENT CONTRACT, OR OPTION TO BUY, AND ANY  
16 PROVISIONS FOR EVICTION OR REMOVAL OF THE HOMEOWNER IN THE CASE OF  
17 LATE PAYMENT; AND

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

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

23 "IF YOU CHANGE YOUR MIND ABOUT TRANSFERRING OWNERSHIP OF YOUR  
24 PROPERTY, YOU, THE HOMEOWNER, MAY RESCIND THE TRANSFER OF THE  
25 DEED OR TITLE TO YOUR PROPERTY ANY TIME WITHIN THE NEXT ~~40~~ 30 DAYS. AS  
26 PART OF ANY RESCISSION, YOU MUST REPAY, WITHIN 60 DAYS, ANY MONEY  
27 SPENT ON YOUR BEHALF AS A RESULT OF THIS AGREEMENT, ALONG WITH  
28 INTEREST CALCULATED AT THE RATE OF 8% A YEAR.

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

31 (C) (1) IF A FORECLOSURE RECONVEYANCE IS INCLUDED IN A  
32 FORECLOSURE CONSULTING CONTRACT OR ARRANGED AFTER THE EXECUTION OF A  
33 FORECLOSURE CONSULTING CONTRACT, THE FORECLOSURE PURCHASER SHALL  
34 PROVIDE THE HOMEOWNER WITH A DOCUMENT ENTITLED "NOTICE OF RIGHT TO  
35 CANCEL TRANSFER OF DEED OR TITLE".

36 (2) THE NOTICE OF RIGHT TO CANCEL TRANSFER OF DEED OR TITLE  
37 SHALL:

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



1 (II) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT LEAST  
2 14 POINT TYPE:

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

4 (DATE)

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

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

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

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

17 NOTICE OF RESCISSION

18 TO: (NAME OF FORECLOSURE CONSULTANT)  
19 (ADDRESS OF FORECLOSURE CONSULTANT, INCLUDING FACSIMILE AND  
20 ELECTRONIC MAIL)

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

23 ..... (DATE)  
24 ..... (HOMEOWNER'S SIGNATURE)".

25 (D) THE FORECLOSURE PURCHASER SHALL PROVIDE THE HOMEOWNER WITH  
26 A COPY OF THE NOTICE OF RIGHT TO CANCEL TRANSFER OF DEED OR TITLE  
27 IMMEDIATELY ON EXECUTION OF ANY DOCUMENT THAT INCLUDES A FORECLOSURE  
28 RECONVEYANCE.

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

32 (F) ANY PROVISION IN A FORECLOSURE CONSULTING CONTRACT OR OTHER  
33 AGREEMENT CONCERNING A FORECLOSURE RECONVEYANCE THAT ATTEMPTS OR  
34 PURPORTS TO WAIVE THE HOMEOWNER'S RIGHTS UNDER THIS SECTION, CONSENT  
35 TO JURISDICTION FOR LITIGATION OR CHOICE OF LAW IN A STATE OTHER THAN  
36 MARYLAND, CONSENT TO VENUE IN A COUNTY OTHER THAN THE COUNTY IN WHICH

1 THE PROPERTY IS LOCATED, OR IMPOSE ANY COSTS OR FILING FEES GREATER THAN  
2 THE FEES REQUIRED TO FILE AN ACTION IN A CIRCUIT COURT, IS VOID.

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

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

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

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

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

19 ~~(2) ANY DEED THAT IS RECORDED AFTER THE 10 3-DAY PERIOD SHALL~~  
20 ~~CONTAIN AN AFFIDAVIT OF COMPLIANCE WITH THIS SECTION SIGNED BY AN~~  
21 ~~ATTORNEY ADMITTED TO PRACTICE LAW IN THE STATE.~~

22 7-311.

23 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
24 INDICATED.

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

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

31 (4) "RESALE PRICE" MEANS THE GROSS SALE PRICE OF A PROPERTY ON  
32 RESALE.

33 ~~(5) "SETTLEMENT" MEANS AN IN PERSON MEETING TO COMPLETE~~  
34 ~~FINAL DOCUMENTS INCIDENT TO THE SALE OR TRANSFER OF REAL PROPERTY OR~~  
35 ~~THE CREATION OF A MORTGAGE ON REAL PROPERTY CONDUCTED BY A SETTLEMENT~~  
36 ~~AGENT WHO IS NOT EMPLOYED BY OR AN AFFILIATE OF THE FORECLOSURE~~  
37 ~~PURCHASER.~~

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

8       (B)       A FORECLOSURE PURCHASER MAY NOT:

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

11           (I)       THE FORECLOSURE PURCHASER VERIFIES AND CAN  
12 DEMONSTRATE THAT THE HOMEOWNER HAS OR WILL HAVE A REASONABLE ABILITY  
13 TO PAY FOR THE SUBSEQUENT RECONVEYANCE OF THE PROPERTY BACK TO THE  
14 HOMEOWNER ON COMPLETION OF THE TERMS OF A FORECLOSURE CONVEYANCE,  
15 OR, IF THE FORECLOSURE CONVEYANCE PROVIDES FOR A LEASE WITH AN OPTION TO  
16 REPURCHASE THE PROPERTY, THE HOMEOWNER HAS OR WILL HAVE A REASONABLE  
17 ABILITY TO MAKE THE LEASE PAYMENTS AND REPURCHASE THE PROPERTY WITHIN  
18 THE TERM OF THE OPTION TO REPURCHASE;

19           (II)       THE FORECLOSURE PURCHASER AND THE HOMEOWNER  
20 COMPLETE A FORMAL SETTLEMENT BEFORE ANY TRANSFER OF AN INTEREST IN THE  
21 PROPERTY IS EFFECTED; AND

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

27       (2)       FAIL TO:

28           (I)       ENSURE THAT TITLE TO THE PROPERTY HAS BEEN  
29 RECONVEYED TO THE HOMEOWNER IN A TIMELY MANNER IF THIS SUBTITLE OR THE  
30 TERMS OF A FORECLOSURE RECONVEYANCE AGREEMENT REQUIRE A  
31 RECONVEYANCE; OR

32           (II)       MAKE PAYMENT TO THE HOMEOWNER WITHIN 90 DAYS OF ANY  
33 RESALE OF THE PROPERTY SO THAT THE HOMEOWNER RECEIVES CASH PAYMENTS  
34 OR CONSIDERATION IN AN AMOUNT EQUAL TO AT LEAST 82% OF THE NET PROCEEDS  
35 FROM ANY RESALE OF THE PROPERTY SHOULD A PROPERTY SUBJECT TO A  
36 FORECLOSURE RECONVEYANCE BE SOLD WITHIN 18 MONTHS AFTER ENTERING INTO  
37 A FORECLOSURE RECONVEYANCE AGREEMENT;

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

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

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

5 (II) THE FORECLOSURE PURCHASER HAS CERTIFICATION OR  
6 LICENSURE THAT THE FORECLOSURE PURCHASER DOES NOT HAVE;

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

9 (IV) THE FORECLOSURE PURCHASER IS ASSISTING THE  
10 HOMEOWNER IN PREVENTING A FORECLOSURE IF THE RESULT OF THE  
11 TRANSACTION IS THAT THE HOMEOWNER WILL NOT COMPLETE A REDEMPTION OF  
12 THE PROPERTY;

13 (5) MAKE ANY OTHER STATEMENTS, DIRECTLY OR BY IMPLICATION, OR  
14 ENGAGE IN ANY OTHER CONDUCT THAT IS FALSE, DECEPTIVE, OR MISLEADING, OR  
15 THAT HAS THE LIKELIHOOD TO CAUSE CONFUSION OR MISUNDERSTANDING,  
16 INCLUDING STATEMENTS REGARDING THE VALUE OF THE RESIDENCE IN  
17 FORECLOSURE, THE AMOUNT OF PROCEEDS THE HOMEOWNER WILL RECEIVE  
18 AFTER A FORECLOSURE SALE, ANY CONTRACT TERM, OR THE HOMEOWNER'S RIGHTS  
19 OR OBLIGATIONS INCIDENT TO OR ARISING OUT OF THE FORECLOSURE  
20 RECONVEYANCE; OR

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

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

25 (II) TRANSFER OR ENCUMBER OR PURPORT TO TRANSFER OR  
26 ENCUMBER ANY INTEREST IN THE RESIDENCE IN FORECLOSURE TO ANY THIRD  
27 PARTY.

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

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

35 (2) THE FORECLOSURE PURCHASER HAS NOT VERIFIED REASONABLE  
36 PAYMENT ABILITY IF THE FORECLOSURE PURCHASER HAS NOT OBTAINED  
37 DOCUMENTS OTHER THAN A STATEMENT BY THE HOMEOWNER OF ASSETS,  
38 LIABILITIES, AND INCOME.

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

6 (2) THE ACCOUNTING SHALL BE ON A FORM PRESCRIBED BY THE  
7 ATTORNEY GENERAL IN CONSULTATION WITH THE COMMISSIONER OF FINANCIAL  
8 REGULATION AND SHALL INCLUDE DETAILED DOCUMENTATION OF EXPENSES AND  
9 OTHER CONSIDERATION PAID BY THE FORECLOSURE PURCHASER AND DEDUCTED  
10 FROM THE RESALE PRICE.

11 (E) A BONA FIDE PURCHASER FOR VALUE OR BONA FIDE LENDER FOR VALUE  
12 WHO ENTERS INTO A TRANSACTION WITH A HOMEOWNER OR A FORECLOSURE  
13 PURCHASER WHEN A FORECLOSURE CONSULTING CONTRACT IS IN EFFECT OR  
14 DURING THE PERIOD WHEN A FORECLOSURE RECONVEYANCE MAY BE RESCINDED,  
15 WITHOUT NOTICE OF THOSE FACTS, RECEIVES GOOD TITLE TO THE PROPERTY, FREE  
16 AND CLEAR OF THE RIGHT OF THE PARTIES TO THE FORECLOSURE CONSULTING  
17 CONTRACT OR THE RIGHT OF THE HOMEOWNER TO RESCIND THE FORECLOSURE  
18 RECONVEYANCE.

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

23 7-312. RESERVED.

24 7-313. RESERVED.

25 PART IV. FORECLOSURE SURPLUS PURCHASERS.

26 7-314.

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

29 (B) EACH FORECLOSURE SURPLUS ACQUISITION CONTRACT SHALL:

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

31 (2) BE PRINTED IN AT LEAST 12 POINT TYPE, IN THE SAME LANGUAGE  
32 THAT IS USED BY THE HOMEOWNER AND WAS USED BY THE FORECLOSURE SURPLUS  
33 PURCHASER AND THE HOMEOWNER TO NEGOTIATE THE SALE OF THE RESIDENCE IN  
34 FORECLOSURE;

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

1 (4) INCLUDE:

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

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

5 (III) THE TOTAL CONSIDERATION TO BE GIVEN BY THE  
6 FORECLOSURE SURPLUS PURCHASER IN CONNECTION WITH OR INCIDENT TO THE  
7 TRANSACTION;

8 (IV) A COMPLETE DESCRIPTION OF THE TERMS OF PAYMENT OR  
9 OTHER CONSIDERATION, INCLUDING ANY SERVICES OF ANY NATURE THAT THE  
10 FORECLOSURE SURPLUS PURCHASER REPRESENTS THE FORECLOSURE SURPLUS  
11 PURCHASER WILL PERFORM FOR THE HOMEOWNER BEFORE OR AFTER THE SALE;  
12 AND

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

17 "NOTICE REQUIRED BY MARYLAND LAW

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

21 IF YOU HAVE ANY QUESTIONS ABOUT THIS DOCUMENT, SEEK LEGAL COUNSEL  
22 BEFORE SIGNING. THIS IS AN IMPORTANT LEGAL CONTRACT. FAILURE TO READ  
23 AND UNDERSTAND THESE DOCUMENTS MAY CAUSE YOU TO LOSE VALUABLE  
24 RIGHTS.

25 THE EFFECT OF THESE DOCUMENTS IS THAT YOU MAY LOSE THE EQUITY IN  
26 YOUR HOME. THIS AGREEMENT WILL NOT STOP THE FORECLOSURE OR GET  
27 YOUR HOUSE BACK. IF YOU BELIEVE THE FORECLOSURE SALE WAS IMPROPER,  
28 YOU SHOULD IMMEDIATELY SEEK LEGAL ADVICE TO DETERMINE WHAT  
29 OBJECTIONS TO RATIFICATION OR TO RESCIND THE ORDER OF RATIFICATION  
30 MAY BE FILED.

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

33 YOU MAY RESCIND THIS CONTRACT FOR THE SALE OF YOUR HOUSE WITHOUT  
34 ANY PENALTY OR OBLIGATION AT ANY TIME WITHIN 10 DAYS AFTER THE  
35 AUDITOR STATES THE ACCOUNT OF THE FORECLOSURE SALE. SEE THE  
36 ATTACHED NOTICE OF RESCISSION FORM FOR AN EXPLANATION OF THIS  
37 RIGHT. AS PART OF THE RESCISSION, YOU MUST REPAY FROM THE SURPLUS  
38 PROCEEDS ANY CONSIDERATION RECEIVED, DIRECTLY OR INDIRECTLY,

1 TOGETHER WITH AN AMOUNT FOR INTEREST CALCULATED AT THE RATE OF 8%  
2 A YEAR.

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

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

7 (2) THE NOTICE OF RESCISSION SHALL:

8 (I) BE ON A SEPARATE SHEET OF PAPER ATTACHED TO THE  
9 CONTRACT;

10 (II) BE EASILY DETACHABLE; AND

11 (III) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT LEAST  
12 15 POINT TYPE:

"NOTICE OF RESCISSION

14 ..... (DATE OF CONTRACT)

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

18 TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY  
19 OF THIS NOTICE OF RESCISSION TO ..... (NAME OF  
20 PURCHASER) AT ..... (ADDRESS OF PURCHASER,  
21 INCLUDING FACSIMILE AND ELECTRONIC MAIL) WITH A COPY TO THE COURT  
22 APPOINTED AUDITOR.

23 I HEREBY RESCIND THIS TRANSACTION.

24 ..... (DATE)  
25 ..... (HOMEOWNER'S SIGNATURE)."

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

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

33 (F) ANY PROVISION IN A CONTRACT THAT ATTEMPTS OR PURPORTS TO WAIVE  
34 ANY OF THE RIGHTS SPECIFIED IN THIS TITLE, CONSENT TO JURISDICTION OR  
35 CHOICE OF LAW IN A STATE OTHER THAN MARYLAND, CONSENT TO VENUE IN A

1 COUNTY OTHER THAN THE COUNTY IN WHICH THE PROPERTY IS LOCATED, OR  
2 IMPOSE ANY COSTS OR FILING FEES GREATER THAN THE FEES REQUIRED TO FILE  
3 AN ACTION IN A CIRCUIT COURT, IS VOID.

4 7-315.

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

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

14 (2) ON RECEIPT OF THE NOTICE OF RESCISSION, THE AUDITOR SHALL  
15 RESTATE THE ACCOUNT. THE REPAYMENT OF CONSIDERATION AND INTEREST BY  
16 THE HOMEOWNER SHALL BE INCORPORATED BY THE AUDITOR INTO THE REVISED  
17 STATEMENT OF ACCOUNT FILED WITH THE COURT.

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

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

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

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

31 7-316. RESERVED.

32 7-317. RESERVED.

33 PART V. PROHIBITED ACTS; ENFORCEMENT AND PENALTIES.

34 7-318.

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



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

3 7-319.

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

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

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

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

12 (3) APPOINT A RECEIVER IN CASE OF WILLFUL VIOLATION OF THIS  
13 TITLE.

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

17 7-320.

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

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

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

28 7-321.

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

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

Article - Commercial Law

13-204.

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

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

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

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

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

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

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

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

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

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