

UNOFFICIAL COPY OF SENATE BILL 761
EMERGENCY BILL

N1

5lr1509
CF 5lr1397

By: **Senator Frosh**

Introduced and read first time: February 4, 2005

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 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 (3) (I) THE WRITTEN NOTICE SHALL BE SENT WITHIN 2 DAYS AFTER
2 THE ACTION TO FORECLOSE IS DOCKETED:

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

6 2. BY FIRST CLASS MAIL.

7 (II) THE NOTICE SHALL STATE THAT AN ACTION TO FORECLOSE
8 THE MORTGAGE OR DEED OF TRUST HAS BEEN DOCKETED AND THAT A
9 FORECLOSURE SALE OF THE PROPERTY WILL BE HELD.

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

12 "NOTICE REQUIRED BY MARYLAND LAW

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

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

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

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

29 1. 30 days before the day on which a foreclosure sale of the
30 property is actually held; and

31 2. The date on which an action to foreclose the mortgage or
32 deed of trust is filed.

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

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

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 THAT WAS EXTINGUISHED BY THE PRIOR SALE AND ITS RATIFICATION;
13 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 ~~(F)~~ (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 ~~(G)~~ (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 THIS SUBTITLE DOES NOT APPLY TO:

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

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

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

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

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

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

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

5 (2) (7) A NONPROFIT ORGANIZATION THAT SOLELY OFFERS
6 COUNSELING OR ADVICE TO HOMEOWNERS IN FORECLOSURE OR LOAN DEFAULT, IF
7 THE ORGANIZATION IS NOT DIRECTLY OR INDIRECTLY RELATED TO AND DOES NOT
8 CONTRACT FOR SERVICES WITH FOR-PROFIT LENDERS OR FORECLOSURE
9 PURCHASERS.

10 7-303. RESERVED.

11 7-304. RESERVED.

12 PART II. FORECLOSURE CONSULTANTS.

13 7-305.

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

16 (1) RESCIND A FORECLOSURE CONSULTING CONTRACT AT ANY TIME;
17 AND

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

21 (B) RESCISSION OCCURS WHEN THE HOMEOWNER GIVES WRITTEN NOTICE
22 OF RESCISSION TO THE FORECLOSURE CONSULTANT AT THE ADDRESS SPECIFIED IN
23 THE CONTRACT OR THROUGH ANY FACSIMILE OR ELECTRONIC MAIL ADDRESS
24 IDENTIFIED IN THE CONTRACT OR OTHER MATERIALS PROVIDED TO THE
25 HOMEOWNER BY THE FORECLOSURE CONSULTANT.

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

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

33 (E) AS PART OF THE RESCISSION OF A FORECLOSURE CONSULTING
34 CONTRACT OR FORECLOSURE RECONVEYANCE, THE HOMEOWNER SHALL REPAY,
35 WITHIN 60 DAYS FROM THE DATE OF RESCISSION, ANY FUNDS PAID OR ADVANCED
36 BY THE FORECLOSURE CONSULTANT OR ANYONE WORKING WITH THE
37 FORECLOSURE CONSULTANT UNDER THE TERMS OF THE FORECLOSURE

1 CONSULTING CONTRACT OR FORECLOSURE RECONVEYANCE, TOGETHER WITH
2 INTEREST CALCULATED AT THE RATE OF 8% A YEAR.

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

5 7-306.

6 (A) A FORECLOSURE CONSULTING CONTRACT SHALL:

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

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

14 (3) FULLY DISCLOSE THE EXACT NATURE OF THE FORECLOSURE
15 CONSULTING SERVICES TO BE PROVIDED, INCLUDING ANY FORECLOSURE
16 RECONVEYANCE THAT MAY BE INVOLVED, AND THE TOTAL AMOUNT AND TERMS OF
17 ANY COMPENSATION TO BE RECEIVED BY THE FORECLOSURE CONSULTANT OR
18 ANYONE WORKING IN ASSOCIATION WITH THE CONSULTANT;

19 (4) BE DATED AND PERSONALLY SIGNED BY THE HOMEOWNER AND THE
20 FORECLOSURE CONSULTANT AND BE WITNESSED AND ACKNOWLEDGED BY A
21 NOTARY PUBLIC APPOINTED AND COMMISSIONED BY THE STATE; AND

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

26 "NOTICE REQUIRED BY MARYLAND LAW

27 ~~..... (NAME) OR ANYONE WORKING FOR HIM OR HER CANNOT TAKE ANY~~
28 ~~MONEY FROM YOU OR ASK YOU FOR MONEY UNTIL (NAME) HAS~~
29 ~~COMPLETELY FINISHED DOING EVERYTHING (NAME) SAID HE OR SHE~~
30 ~~WOULD DO.~~

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

36 (NAME) OR ANYONE WORKING FOR HIM OR HER CANNOT GUARANTEE
37 YOU THAT THEY WILL BE ABLE TO REFINANCE YOUR HOME OR ARRANGE FOR

1 YOU TO KEEP YOUR HOME. CONTINUE MAKING MORTGAGE PAYMENTS UNTIL A
2 REFINANCING, IF APPLICABLE, IS APPROVED.

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

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

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

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

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

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

20 (2) THE NOTICE OF RESCISSION SHALL:

21 (I) BE ON A SEPARATE SHEET OF PAPER ATTACHED TO THE
22 CONTRACT;

23 (II) BE EASILY DETACHABLE; AND

24 (III) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT LEAST
25 15 POINT TYPE:

"NOTICE OF RESCISSION

(DATE OF CONTRACT)

28 YOU MAY CANCEL OR RESCIND THIS CONTRACT, WITHOUT ANY PENALTY, AT
29 ANY TIME.

30 IF YOU WANT TO END THIS CONTRACT, MAIL OR DELIVER A SIGNED AND DATED
31 COPY OF THIS NOTICE OF RESCISSION, OR ANY OTHER WRITTEN NOTICE
32 INDICATING YOUR INTENT TO RESCIND TO (NAME OF FORECLOSURE
33 CONSULTANT) AT (ADDRESS OF FORECLOSURE CONSULTANT, INCLUDING
34 FACSIMILE AND ELECTRONIC MAIL).

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

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

6 NOTICE OF RESCISSION

7 TO: (NAME OF FORECLOSURE CONSULTANT)
8 (ADDRESS OF FORECLOSURE CONSULTANT, INCLUDING FACSIMILE AND
9 ELECTRONIC MAIL)

10 I HEREBY RESCIND THIS CONTRACT.

11 (DATE)
12 (HOMEOWNER'S SIGNATURE)".

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

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

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

26 7-307.

27 A FORECLOSURE CONSULTANT MAY NOT:

28 (1) CLAIM, DEMAND, CHARGE, COLLECT, OR RECEIVE ANY
29 COMPENSATION UNTIL AFTER THE FORECLOSURE CONSULTANT HAS FULLY
30 PERFORMED EACH AND EVERY SERVICE THE FORECLOSURE CONSULTANT
31 CONTRACTED TO PERFORM OR REPRESENTED THAT THE FORECLOSURE
32 CONSULTANT WOULD PERFORM;

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

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

4 (4) RECEIVE ANY CONSIDERATION FROM ANY THIRD PARTY IN
5 CONNECTION WITH FORECLOSURE CONSULTING SERVICES PROVIDED TO A
6 HOMEOWNER UNLESS THE CONSIDERATION IS FIRST FULLY DISCLOSED IN WRITING
7 TO THE HOMEOWNER;

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

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

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

18 7-308. RESERVED.

19 7-309. RESERVED.

20 PART III. FORECLOSURE PURCHASERS.

21 7-310.

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

27 (B) THE DOCUMENT ENTITLED "NOTICE OF TRANSFER OF DEED OR TITLE"
28 SHALL:

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

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

34 (3) BE DATED AND PERSONALLY SIGNED BY THE HOMEOWNER AND THE
35 FORECLOSURE PURCHASER AND WITNESSED AND ACKNOWLEDGED BY A NOTARY
36 PUBLIC APPOINTED AND COMMISSIONED BY THE STATE;

1 (4) DESCRIBE IN DETAIL THE TERMS OF ANY FORECLOSURE
2 CONVEYANCE INCLUDING:

3 (I) THE NAME, BUSINESS ADDRESS, TELEPHONE NUMBER, AND
4 FACSIMILE NUMBER OF THE PERSON TO WHOM THE DEED OR TITLE WILL BE
5 TRANSFERRED;

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

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

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

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

15 (VI) A DESCRIPTION OF ANY SERVICES OF ANY NATURE THAT THE
16 FORECLOSURE PURCHASER WILL PERFORM FOR THE HOMEOWNER BEFORE OR
17 AFTER THE SALE OR TRANSFER;

18 (VII) A COMPLETE DESCRIPTION OF THE TERMS OF ANY RELATED
19 AGREEMENT DESIGNED TO ALLOW THE HOMEOWNER TO REMAIN IN THE HOME,
20 INCLUDING THE TERMS OF ANY RENTAL AGREEMENT, REPURCHASE AGREEMENT,
21 CONTRACT FOR DEED, LAND INSTALLMENT CONTRACT, OR OPTION TO BUY, AND ANY
22 PROVISIONS FOR EVICTION OR REMOVAL OF THE HOMEOWNER IN THE CASE OF
23 LATE PAYMENT; AND

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

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

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

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

37 (C) (1) IF A FORECLOSURE RECONVEYANCE IS INCLUDED IN A
38 FORECLOSURE CONSULTING CONTRACT OR ARRANGED AFTER THE EXECUTION OF A

1 FORECLOSURE CONSULTING CONTRACT, THE FORECLOSURE PURCHASER SHALL
2 PROVIDE THE HOMEOWNER WITH A DOCUMENT ENTITLED "NOTICE OF RIGHT TO
3 CANCEL TRANSFER OF DEED OR TITLE".

4 (2) THE NOTICE OF RIGHT TO CANCEL TRANSFER OF DEED OR TITLE
5 SHALL:

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

8 (II) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT LEAST
9 14 POINT TYPE:

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

11 (DATE)

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

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

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

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

24 NOTICE OF RESCISSION

25 TO: (NAME OF FORECLOSURE CONSULTANT)
26 (ADDRESS OF FORECLOSURE CONSULTANT, INCLUDING FACSIMILE AND
27 ELECTRONIC MAIL)

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

30 (DATE)

31 (HOMEOWNER'S SIGNATURE)".

32 (D) THE FORECLOSURE PURCHASER SHALL PROVIDE THE HOMEOWNER WITH
33 A COPY OF THE NOTICE OF RIGHT TO CANCEL TRANSFER OF DEED OR TITLE
34 IMMEDIATELY ON EXECUTION OF ANY DOCUMENT THAT INCLUDES A FORECLOSURE
35 RECONVEYANCE.

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

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

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

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

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

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

24 (K) (1) DURING THE ~~40~~ 3-DAY RESCISSION PERIOD, A DEED OR OTHER
25 DOCUMENT AFFECTING TITLE TO THE HOMEOWNER'S RESIDENCE MAY NOT BE
26 RECORDED.

27 (2) ANY DEED THAT IS RECORDED AFTER THE ~~40~~ 3-DAY PERIOD SHALL
28 CONTAIN AN AFFIDAVIT OF COMPLIANCE WITH THIS SECTION SIGNED BY AN
29 ATTORNEY ADMITTED TO PRACTICE LAW IN THE STATE.

30 7-311.

31 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
32 INDICATED.

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

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

1 (4) "RESALE PRICE" MEANS THE GROSS SALE PRICE OF A PROPERTY ON
2 RESALE.

3 (5) "SETTLEMENT" MEANS AN IN-PERSON MEETING TO COMPLETE
4 FINAL DOCUMENTS INCIDENT TO THE SALE OR TRANSFER OF REAL PROPERTY OR
5 THE CREATION OF A MORTGAGE ON REAL PROPERTY CONDUCTED BY A SETTLEMENT
6 AGENT WHO IS NOT EMPLOYED BY OR AN AFFILIATE OF THE FORECLOSURE
7 PURCHASER.

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 ye 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.