

# HOUSE BILL 59

N1

8lr0989

(PRE-FILED)

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By: **Delegate Barnes**

Requested: November 5, 2007

Introduced and read first time: January 9, 2008

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Foreclosure Consultants – Duty to Homeowner – Value of**  
3 **Residence in Foreclosure**

4 FOR the purpose of altering the contents of a foreclosure consulting contract to include  
5 a certain statement regarding a certain duty of a foreclosure consultant to  
6 provide a homeowner with research regarding the value of a homeowner's  
7 residence in foreclosure; imposing a certain duty on a foreclosure consultant to  
8 provide a homeowner with certain research regarding the value of the  
9 homeowner's residence in foreclosure; and generally relating to the duty of a  
10 foreclosure consultant to provide a homeowner with research regarding the  
11 value of the homeowner's residence in foreclosure.

12 BY repealing and reenacting, with amendments,  
13 Article – Real Property  
14 Section 7–306(a)  
15 Annotated Code of Maryland  
16 (2003 Replacement Volume and 2007 Supplement)

17 BY adding to  
18 Article – Real Property  
19 Section 7–308  
20 Annotated Code of Maryland  
21 (2003 Replacement Volume and 2007 Supplement)

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

24 **Article – Real Property**

25 7–306.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) A foreclosure consulting contract shall:

2 (1) Be provided to the homeowner for review before signing;

3 (2) Be printed in at least 12 point type and written in the same  
4 language that is used by the homeowner and was used in discussions with the  
5 foreclosure consultant to describe the consultant’s services or to negotiate the contract;

6 (3) Fully disclose the exact nature of the foreclosure consulting  
7 services to be provided, including any foreclosure reconveyance that may be involved,  
8 and the total amount and terms of any compensation to be received by the foreclosure  
9 consultant or anyone working in association with the consultant;

10 (4) **STATE THE DUTY OF THE FORECLOSURE CONSULTANT TO**  
11 **PROVIDE THE HOMEOWNER WITH WRITTEN COPIES OF ANY RESEARCH THE**  
12 **FORECLOSURE CONSULTANT HAS REGARDING THE VALUE OF THE**  
13 **HOMEOWNER’S RESIDENCE IN FORECLOSURE, INCLUDING ANY INFORMATION**  
14 **ON SALES OF COMPARABLE PROPERTIES OR APPRAISALS;**

15 [(4)] (5) Be dated and personally signed by the homeowner and the  
16 foreclosure consultant and be witnessed and acknowledged by a notary public  
17 appointed and commissioned by the State; and

18 [(5)] (6) Contain the following notice, which shall be printed in at  
19 least 14 point boldface type, completed with the name of the foreclosure consultant,  
20 and located in immediate proximity to the space reserved for the homeowner’s  
21 signature:

22 “NOTICE REQUIRED BY MARYLAND LAW

23 ..... (Name) or anyone working for him or her CANNOT ask you to sign  
24 or have you sign any lien, mortgage, or deed as part of signing this agreement  
25 unless the terms of the transfer are specified in this document and you are given  
26 a separate explanation of the precise nature of the transaction.

27 ..... (Name) or anyone working for him or her CANNOT guarantee you  
28 that they will be able to refinance your home or arrange for you to keep your  
29 home. Continue making mortgage payments until a refinancing, if applicable, is  
30 approved.

31 If a transfer of the deed or title to your property is involved in any way, you may  
32 rescind the transfer any time within 3 days after the date you sign the deed or  
33 other document of sale or transfer. See the attached Notice of Rescission form for  
34 an explanation of this right. As part of any rescission, you must repay, within 60  
35 days, any money spent on your behalf as a result of this agreement, along with  
36 interest calculated at the rate of 8% a year.

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

3   **7-308.**

4           **A FORECLOSURE CONSULTANT HAS A DUTY TO PROVIDE THE**  
5           **HOMEOWNER WITH WRITTEN COPIES OF ANY RESEARCH THE FORECLOSURE**  
6           **CONSULTANT HAS REGARDING THE VALUE OF THE HOMEOWNER’S RESIDENCE**  
7           **IN FORECLOSURE, INCLUDING ANY INFORMATION ON SALES OF COMPARABLE**  
8           **PROPERTIES OR APPRAISALS.**

9           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10          October 1, 2008.