

SENATE BILL 218

N1

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CF 8lr0262

By: **The President (By Request – Administration) and Senators Currie, Della, Gladden, Jones, Kelley, Lenett, Madaleno, Middleton, Muse, Pinsky, Pugh, Raskin, and Stone**

Introduced and read first time: January 18, 2008

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Protection of Homeowners in Foreclosure – Prohibition on Foreclosure**
3 **Rescue Transactions – Enforcement**

4 FOR the purpose of altering the applicability of certain provisions relating to the
5 protection of homeowners in foreclosure; altering the contents of a certain
6 foreclosure consulting contract; prohibiting a foreclosure consultant from
7 engaging in or arranging a foreclosure rescue transaction or receiving a
8 commission or money under certain circumstances; requiring a foreclosure
9 consultant to be licensed as a real estate broker and to provide certain research
10 to a homeowner under certain circumstances; repealing certain provisions
11 concerning foreclosure reconveyances; authorizing a homeowner to cancel a
12 contract for the sale or transfer of a residence in default under certain
13 circumstances; requiring a contract for the sale or transfer of a residence in
14 default to contain certain notices and attachments under certain circumstances;
15 imposing certain prohibitions on a purchaser of a residence in default;
16 authorizing the Commissioner of Financial Regulation to enforce certain
17 provisions concerning the protection of homeowners in foreclosure; making a
18 violation of this Act an unfair or deceptive trade practice under the Maryland
19 Consumer Protection Act; requiring the Attorney General or the State's
20 Attorney to notify the Commissioner of certain convictions; altering and
21 defining certain terms; making stylistic and conforming changes; and generally
22 relating to the protection of homeowners in foreclosure.

23 BY repealing and reenacting, with amendments,
24 Article – Commercial Law
25 Section 13–301(14)(xxii)
26 Annotated Code of Maryland
27 (2005 Replacement Volume and 2007 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
 2 Article – Commercial Law
 3 Section 13–301(14)(xxiv)
 4 Annotated Code of Maryland
 5 (2005 Replacement Volume and 2007 Supplement)

6 BY repealing and reenacting, with amendments,
 7 Article – Real Property
 8 Section 7–301 to be under the amended subtitle “Subtitle 3. Protection of
 9 Homeowners in Foreclosure Act”, 7–302, 7–305, 7–306, and 7–307; and
 10 7–310 to be under the amended part “Part III. Sales or Transfers of
 11 Residences in Default”, 7–311, 7–314, 7–315, 7–319, and 7–320
 12 Annotated Code of Maryland
 13 (2003 Replacement Volume and 2007 Supplement)

14 BY adding to
 15 Article – Real Property
 16 Section 7–308, 7–309, 7–310, 7–313, 7–318.1, and 7–322; and 7–325 to be under
 17 the new part “Part VI. Short Title”
 18 Annotated Code of Maryland
 19 (2003 Replacement Volume and 2007 Supplement)

20 BY repealing and reenacting, without amendments,
 21 Article – Real Property
 22 Section 7–318 and 7–321
 23 Annotated Code of Maryland
 24 (2003 Replacement Volume and 2007 Supplement)

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

27 **Article – Commercial Law**

28 13–301.

29 Unfair or deceptive trade practices include any:

30 (14) Violation of a provision of:

31 (xxii) Section 14–1319 or § 14–1320 of this article; [or]

32 **(XXIV) TITLE 7, SUBTITLE 3 OF THE REAL PROPERTY**
 33 **ARTICLE, THE PROTECTION OF HOMEOWNERS IN FORECLOSURE ACT; OR**

34 **Article – Real Property**

1 Subtitle 3. Protection of Homeowners in Foreclosure **ACT**.

2 7-301.

3 (a) In this subtitle the following words have the meanings indicated.

4 **(B) “COMMISSIONER” MEANS THE COMMISSIONER OF FINANCIAL**
5 **REGULATION IN THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.**

6 [(b)] (C) “Foreclosure consultant” means a person who:

7 (1) Solicits or contacts a homeowner in writing, in person, or through
8 any electronic or telecommunications medium and directly or indirectly makes a
9 representation or offer to perform any service that the person represents will:

10 (i) Stop, enjoin, delay, void, set aside, annul, stay, or postpone a
11 foreclosure sale;

12 (ii) Obtain forbearance from any servicer, beneficiary or
13 mortgagee;

14 (iii) Assist the homeowner to exercise a right of reinstatement
15 provided in the loan documents or to refinance a loan that is in foreclosure and for
16 which notice of foreclosure proceedings has been published;

17 (iv) Obtain an extension of the period within which the
18 homeowner may reinstate the homeowner’s obligation or extend the deadline to object
19 to a ratification;

20 (v) Obtain a waiver of an acceleration clause contained in any
21 promissory note or contract secured by a mortgage on a residence in [foreclosure]
22 **DEFAULT** or contained in the mortgage;

23 (vi) Assist the homeowner to obtain a loan or advance of funds;

24 (vii) Avoid or ameliorate the impairment of the homeowner’s
25 credit resulting from the filing of an order to docket or a petition to foreclose or the
26 conduct of a foreclosure sale;

27 (viii) Save the homeowner’s residence from foreclosure;

28 (ix) Purchase or obtain an option to purchase the homeowner’s
29 residence within 20 days of an advertised or docketed foreclosure sale; **OR**

30 (x) Arrange for the homeowner to become a lessee or renter
31 entitled to continue to reside in the homeowner’s residence **AFTER A SALE OR**
32 **TRANSFER;**

1 [(xi) Arrange for the homeowner to have an option to repurchase
2 the homeowner's residence; or

3 (xii) Engage in any documentation, grant, conveyance, sale,
4 lease, trust, or gift by which the homeowner clogs the homeowner's equity of
5 redemption in the homeowner's residence;] or

6 (2) Systematically contacts owners of [property that court records or
7 newspaper advertisements show are in foreclosure or in danger of foreclosure]
8 **RESIDENCES IN DEFAULT TO OFFER FORECLOSURE CONSULTING SERVICES.**

9 [(c)] (D) "Foreclosure consulting contract" means a written, oral, or
10 equitable agreement between a foreclosure consultant and a homeowner for the
11 provision of any foreclosure consulting service [or foreclosure reconveyance].

12 [(d)] (E) "Foreclosure consulting service" includes:

13 (1) Receiving money for the purpose of distributing it to creditors in
14 payment or partial payment of any obligation secured by a lien on a residence in
15 [foreclosure] **DEFAULT**;

16 (2) Contacting creditors on behalf of a homeowner;

17 (3) Arranging or attempting to arrange for an extension of the period
18 within which a homeowner may cure the homeowner's default and reinstate the
19 homeowner's obligation;

20 (4) Arranging or attempting to arrange for any delay or postponement
21 of the sale of a residence in [foreclosure] **DEFAULT**;

22 (5) Arranging or facilitating the purchase of a homeowner's equity of
23 redemption or legal or equitable title [within 20 days of an advertised or docketed
24 foreclosure sale];

25 (6) [Arranging or facilitating any transaction through which a
26 homeowner will become a lessee, optionee, life tenant, partial homeowner, or vested or
27 contingent remainderman of the homeowner's residence;

28 (7)] Arranging or facilitating the sale of a homeowner's residence or the
29 transfer of legal title, in any form, to another party as an alternative to foreclosure; **OR**

30 [(8) Arranging for a homeowner to have an option to repurchase the
31 homeowner's residence after a sale or transfer;

1 (9)] (7) Arranging for or facilitating a homeowner remaining in the
2 homeowner's residence **AFTER A SALE OR TRANSFER** as a tenant, renter, or lessee
3 **UNDER TERMS PROVIDED IN A WRITTEN LEASE**]; or

4 (10) Arranging or facilitating any other grant, conveyance, sale, lease,
5 trust, or gift by which a homeowner clogs the homeowner's equity of redemption in the
6 homeowner's residence].

7 [(e) "Foreclosure purchaser" means a person who acquires title or possession
8 of a deed or other document to a residence in foreclosure as a result of a foreclosure
9 reconveyance.

10 (f) "Foreclosure reconveyance" means a transaction involving:

11 (1) The transfer of title to real property by a homeowner during or
12 incident to a proposed foreclosure proceeding, either by transfer of interest from the
13 homeowner to another party or by creation of a mortgage, trust, or other lien or
14 encumbrance during the foreclosure process that allows the acquirer to obtain legal or
15 equitable title to all or part of the property; and

16 (2) The subsequent conveyance, or promise of a subsequent
17 conveyance, of an interest back to the homeowner by the acquirer or a person acting in
18 participation with the acquirer that allows the homeowner to possess the real property
19 following the completion of the foreclosure proceeding, including an interest in a
20 contract for deed, purchase agreement, land installment sale, contract for sale, option
21 to purchase, lease, trust, or other contractual arrangement.]

22 **(F) "FORECLOSURE RESCUE TRANSACTION" MEANS A TRANSACTION:**

23 **(1) IN WHICH A RESIDENCE IN DEFAULT IS CONVEYED BY A**
24 **HOMEOWNER WHO RETAINS A LEGAL OR EQUITABLE INTEREST IN ALL OR PART**
25 **OF THE PROPERTY, INCLUDING AN INTEREST UNDER A LEASE-PURCHASE**
26 **AGREEMENT, AN OPTION TO REACQUIRE THE PROPERTY, OR ANY OTHER LEGAL**
27 **OR EQUITABLE INTEREST IN THE PROPERTY CONVEYED; AND**

28 **(2) THAT IS DESIGNED OR INTENDED BY THE PARTIES TO**
29 **PREVENT OR DELAY ACTUAL OR ANTICIPATED FORECLOSURE PROCEEDINGS**
30 **AGAINST THE RESIDENCE IN DEFAULT.**

31 (g) "Foreclosure surplus acquisition" means a transaction involving the
32 transfer, sale, or assignment of the surplus remaining and due the homeowner based
33 on the audit account during a foreclosure proceeding.

34 (h) (1) "Foreclosure surplus purchaser" means a person who acts as the
35 acquirer by assignment, purchase, grant, or conveyance of the surplus resulting from a
36 foreclosure sale.

1 (2) “Foreclosure surplus purchaser” includes a person who acts in joint
2 venture or joint enterprise with one or more acquirers.

3 (i) “Homeowner” means the record owner of a residence in **DEFAULT OR A**
4 **RESIDENCE IN** foreclosure, or an individual occupying the residence under a use and
5 possession order issued under Title 8, Subtitle 2 of the Family Law Article[, at the
6 time an order to docket or a petition to foreclose is filed].

7 **(J) “RESIDENCE IN DEFAULT” MEANS RESIDENTIAL REAL PROPERTY**
8 **LOCATED IN THE STATE CONSISTING OF NOT MORE THAN FOUR SINGLE FAMILY**
9 **DWELLING UNITS, ONE OF WHICH IS OCCUPIED BY THE OWNER, OR THE**
10 **OWNER’S SPOUSE OR FORMER SPOUSE UNDER A USE AND POSSESSION ORDER**
11 **ISSUED UNDER TITLE 8, SUBTITLE 2 OF THE FAMILY LAW ARTICLE, AS THE**
12 **INDIVIDUAL’S PRINCIPAL PLACE OF RESIDENCE, AND ON WHICH THE**
13 **MORTGAGE IS AT LEAST 30 DAYS IN DEFAULT.**

14 [(j)] **(K)** “Residence in foreclosure” means residential real property
15 **LOCATED IN THE STATE** consisting of not more than four single family dwelling
16 units, one of which is occupied by the owner, or the owner’s spouse or former spouse
17 under a use and possession order issued under Title 8, Subtitle 2 of the Family Law
18 Article, as the individual’s principal place of residence, and against which an order to
19 docket or a petition to foreclose has been filed.

20 7–302.

21 (a) Except as provided in subsection (b) of this section, this subtitle does not
22 apply to:

23 (1) An individual admitted to practice law in the State, while
24 performing any activity related to the individual’s regular practice of law in the State;

25 (2) [A person who holds or is owed an obligation secured by a lien on
26 any residence in foreclosure while the person performs services in connection with the
27 obligation or lien, if the obligation or lien did not arise as a result of a foreclosure
28 reconveyance;

29 (3)] (i) A person doing business under any law of this State or the
30 United States regulating banks, trust companies, savings and loan associations, credit
31 unions, or insurance companies, while the person performs services as a part of the
32 person’s normal business activities; and

33 (ii) Any subsidiary, affiliate, or agent of a person described in
34 item (i) of this item, while the subsidiary, affiliate, or agent performs services as a part
35 of the subsidiary’s, affiliate’s, or agent’s normal business activities;

1 [(4)] (3) A judgment creditor of the homeowner, if the judgment
2 creditor's claim accrued before the written notice of foreclosure sale required under §
3 7-105(b) of this title is sent;

4 [(5) A title insurer authorized to conduct business in the State, while
5 performing title insurance and settlement services;

6 (6) A title insurance producer licensed in the State, while performing
7 services in accordance with the person's license;

8 (7) A person licensed as a mortgage broker or mortgage lender under
9 Title 11, Subtitle 5 of the Financial Institutions Article while acting under the
10 authority of that license;

11 (8) A person licensed as a real estate broker, associate real estate
12 broker, or real estate salesperson under Title 17 of the Business Occupations and
13 Professions Article, while the person engages in any activity for which the person is
14 licensed under those provisions so long as any conveyance or transfer of deed, title, or
15 establishment of equitable interest is done through a settlement as defined in
16 § 7-311(a)(5) of this subtitle;] or

17 [(9)] (4) A nonprofit organization that solely offers counseling or
18 advice to homeowners in foreclosure or loan default, if the organization is not directly
19 or indirectly related to and does not contract for services with for-profit lenders or
20 foreclosure purchasers.

21 (b) This subtitle does apply to an individual who:

22 (1) Is functioning in a position listed under subsection (a) of this
23 section; and

24 (2) Is engaging in activities or providing services designed or intended
25 to transfer title to a residence in [foreclosure] **DEFAULT** directly or indirectly to that
26 individual, **A RELATIVE OF THAT INDIVIDUAL**, or an agent or affiliate of that
27 individual.

28 7-305.

29 (a) In addition to any other right under law to cancel [or rescind] a contract,
30 a homeowner has the right to[:

31 (1) Rescind] **CANCEL** a foreclosure consulting contract at any time[;
32 and

33 (2) Rescind a foreclosure reconveyance at any time before midnight of
34 the 3rd business day after any conveyance or transfer in any manner of legal or
35 equitable title to a residence in foreclosure].

1 (b) [Rescission] **CANCELLATION** occurs when the homeowner gives written
2 notice of [rescission] **CANCELLATION** to the foreclosure consultant at the address
3 specified in the contract or through any facsimile or electronic mail address identified
4 in the contract or other materials provided to the homeowner by the foreclosure
5 consultant.

6 (c) Notice of [rescission] **CANCELLATION**, if given by mail, is effective when
7 deposited in the United States mail, properly addressed, with postage prepaid.

8 (d) Notice of [rescission] **CANCELLATION** need not be in the form provided
9 with the contract and is effective, however expressed, if it indicates the intention of
10 the homeowner to [rescind] **CANCEL** the foreclosure consulting contract [or
11 foreclosure reconveyance].

12 (e) [As part of] **AFTER** the [rescission] **CANCELLATION** of a foreclosure
13 consulting contract [or foreclosure reconveyance], the homeowner shall repay, within
14 60 days from the date of [rescission] **CANCELLATION**, any funds paid or advanced by
15 the foreclosure consultant or anyone working with the foreclosure consultant under
16 the terms of the foreclosure consulting contract [or foreclosure reconveyance], together
17 with interest calculated at the rate of 8% a year.

18 (f) The right to [rescind] **CANCEL** may not be conditioned on the repayment
19 of any funds.

20 7-306.

21 (a) A foreclosure consulting contract shall:

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

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

26 (3) Fully disclose the exact nature of the foreclosure consulting
27 services to be provided, including any [foreclosure reconveyance] **SALE OR TENANCY**
28 that may be involved, and the total amount and terms of any compensation **FROM**
29 **ANY SOURCE** to be received by the foreclosure consultant or anyone working in
30 association with the consultant;

31 (4) **STATE THE DUTY OF THE FORECLOSURE CONSULTANT TO**
32 **PROVIDE THE HOMEOWNER WITH WRITTEN COPIES OF ANY RESEARCH THE**
33 **FORECLOSURE CONSULTANT HAS REGARDING THE VALUE OF THE**
34 **HOMEOWNER'S RESIDENCE IN DEFAULT, INCLUDING ANY INFORMATION ON**
35 **SALES OF COMPARABLE PROPERTIES OR ANY APPRAISALS;**

1 (5) Be dated and personally signed by the homeowner and the
2 foreclosure consultant and be witnessed and acknowledged by a notary public
3 appointed and commissioned by the State; and

4 [(5)] (6) Contain the following notice, which shall be printed in at
5 least 14 point boldface type, completed with the name of the foreclosure consultant,
6 and located in immediate proximity to the space reserved for the homeowner's
7 signature:

8 "NOTICE REQUIRED BY MARYLAND LAW

9 (Name) or anyone working for him or her CANNOT ask you to
10 sign or have you sign any lien, mortgage, or deed as part of signing this
11 agreement unless the terms of the transfer are specified in this document and
12 you are given a separate explanation of the precise nature of the transaction.
13 **THE SEPARATE EXPLANATION MUST INCLUDE: HOW MUCH MONEY YOU
14 MUST PAY; HOW MUCH MONEY YOU WILL RECEIVE, IF ANY; AND HOW
15 MUCH MONEY THE FORECLOSURE CONSULTANT WILL RECEIVE FROM ANY
16 SOURCE.**

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

21 **YOU HAVE THE RIGHT TO CANCEL THIS FORECLOSURE CONSULTING
22 CONTRACT AT ANY TIME BY INFORMING THE FORECLOSURE CONSULTANT
23 THAT YOU WANT TO CANCEL THE CONTRACT. SEE THE ATTACHED NOTICE
24 OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT. AFTER
25 ANY CANCELLATION, YOU MUST REPAY, WITHIN 60 DAYS, ANY MONEY
26 SPENT ON YOUR BEHALF AS A RESULT OF THIS AGREEMENT, ALONG WITH
27 INTEREST CALCULATED AT THE RATE OF 8% A YEAR.**

28 If a **CONTRACT TO SELL OR** transfer [of] the deed or title to your
29 property is involved in any way, you may [rescind the transfer] **CANCEL THAT
30 CONTRACT AT** any time within [3] **5** days after the date you sign [the deed or
31 other document of sale or transfer] **THAT CONTRACT AND YOU ARE
32 INFORMED OF THIS RIGHT.** [See the attached Notice of Rescission form for an
33 explanation of this right.] [As part of] **AFTER** any [rescission]
34 **CANCELLATION,** you must repay, within 60 days, any money spent on your
35 behalf as a result of this agreement, along with interest calculated at the rate of
36 **8%** a year.

1 (address of foreclosure consultant, including facsimile and electronic mail)

2 I hereby [rescind] **CANCEL** this contract.

3 (Date)

4 (Homeowner’s signature)”.

5 (d) The foreclosure consultant shall provide the homeowner with a signed
6 and dated copy of the **FORECLOSURE CONSULTING** contract and the attached Notice
7 of [Rescission] **CANCELLATION** immediately upon execution of the contract.

8 (e) The time during which the homeowner may [rescind] **CANCEL** the
9 **FORECLOSURE CONSULTING** contract does not begin to run until the foreclosure
10 consultant has complied with this section.

11 (f) Any provision in a foreclosure consulting contract that attempts or
12 purports to waive any of the rights specified in this title, consent to jurisdiction for
13 litigation or choice of law in a state other than Maryland, consent to venue in a county
14 other than the county in which the property is located, or impose any costs or filing
15 fees greater than the fees required to file an action in a circuit court, is void.

16 7–307.

17 A foreclosure consultant may not:

18 (1) **ENGAGE IN, ARRANGE, OFFER, PROMOTE, PROMISE, SOLICIT,**
19 **PARTICIPATE IN, ASSIST WITH, OR CARRY OUT A FORECLOSURE RESCUE**
20 **TRANSACTION;**

21 (2) Claim, demand, charge, collect, or receive any compensation until
22 after the foreclosure consultant has fully performed each and every service the
23 foreclosure consultant contracted to perform or represented that the foreclosure
24 consultant would perform;

25 [(2)] (3) Claim, demand, charge, collect, or receive any interest or
26 any other compensation for any loan that the foreclosure consultant makes to the
27 homeowner that exceeds 8% a year;

28 [(3)] (4) Take any wage assignment, any lien of any type on real or
29 personal property, or other security to secure the payment of compensation;

30 [(4)] (5) Receive any consideration from any third party in
31 connection with foreclosure consulting services provided to a homeowner unless the
32 consideration:

- 1 (I) [is] **IS** first fully disclosed in writing to the homeowner;
- 2 (II) **IS CLEARLY LISTED ON ANY SETTLEMENT DOCUMENTS;**
- 3 **AND**
- 4 (III) **IS NOT IN VIOLATION OF ANY PROVISION OF THIS**
- 5 **SUBTITLE;**
- 6 (6) **RECEIVE A COMMISSION, REGARDLESS OF HOW DESCRIBED,**
- 7 **FOR THE SALE OF A RESIDENCE IN DEFAULT THAT EXCEEDS 8% OF THE SALES**
- 8 **PRICE;**
- 9 (7) **RECEIVE ANY MONEY TO BE HELD IN ESCROW OR ON A**
- 10 **CONTINGENT BASIS ON BEHALF OF THE HOMEOWNER;**

11 [(5)] (8) Acquire any interest, directly or indirectly, or by means of a

12 subsidiary, affiliate, or corporation in which the foreclosure consultant or a member of

13 the foreclosure consultant's immediate family is a primary stockholder, in a residence

14 in [foreclosure] **DEFAULT** from a homeowner with whom the foreclosure consultant

15 has contracted;

16 [(6)] (9) Take any power of attorney from a homeowner for any

17 purpose, except to inspect documents as provided by law; or

18 [(7)] (10) Induce or attempt to induce any homeowner to enter into a

19 foreclosure consulting contract that does not comply in all respects with this subtitle.

20 **7-308.**

21 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE**

22 **MEANINGS INDICATED.**

23 (2) **"LICENSE" HAS THE MEANING STATED IN § 17-101(G) OF THE**

24 **BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.**

25 (3) **"PROVIDE REAL ESTATE BROKERAGE SERVICES" HAS THE**

26 **MEANING STATED IN § 17-101(L) OF THE BUSINESS OCCUPATIONS AND**

27 **PROFESSIONS ARTICLE.**

28 (B) **A FORECLOSURE CONSULTANT WHO PROVIDES REAL ESTATE**

29 **BROKERAGE SERVICES SHALL BE LICENSED AS REQUIRED UNDER TITLE 17 OF**

30 **THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.**

1 (C) A FORECLOSURE CONSULTANT SHALL PRESENT A COPY OF THE
2 LICENSE TO A HOMEOWNER NO LATER THAN THE TIME A FORECLOSURE
3 CONSULTING CONTRACT IS EXECUTED.

4 **7-309.**

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

10 (B) A FORECLOSURE CONSULTANT OWES THE SAME DUTY OF CARE TO A
11 HOMEOWNER AS A LICENSED REAL ESTATE BROKER OWES TO A CLIENT UNDER §
12 17-532 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

13 Part III. [Foreclosure Purchases] **SALES OR TRANSFERS OF RESIDENCES IN**
14 **DEFAULT.**

15 **7-310.**

16 IN ADDITION TO ANY OTHER RIGHT UNDER LAW TO CANCEL A CONTRACT,
17 IF A CONTRACT FOR THE SALE OR TRANSFER OF A RESIDENCE IN DEFAULT IS
18 INCLUDED IN A FORECLOSURE CONSULTING CONTRACT OR ARRANGED BY A
19 FORECLOSURE CONSULTANT, THE HOMEOWNER OF THE RESIDENCE IN
20 DEFAULT HAS THE RIGHT TO CANCEL THE CONTRACT FOR THE SALE OR
21 TRANSFER WITHIN 5 DAYS AFTER THE EXECUTION OF THE CONTRACT.

22 [7-310.] **7-311.**

23 (A) THIS SECTION APPLIES TO A CONTRACT FOR THE SALE OR
24 TRANSFER OF A RESIDENCE IN DEFAULT THAT IS INCLUDED IN A FORECLOSURE
25 CONSULTING CONTRACT OR ARRANGED BY A FORECLOSURE CONSULTANT.

26 [(a)] (B) [If a foreclosure reconveyance is included in a foreclosure
27 consulting contract or arranged after the execution of a foreclosure consulting
28 contract, the foreclosure] **IN ADDITION TO ANY OTHER REQUIREMENT UNDER LAW,**
29 **THE purchaser OF A RESIDENCE IN DEFAULT** shall provide the homeowner with a
30 document entitled "Notice [of Transfer of Deed or Title] **TO HOMEOWNER**".

31 [(b)] (C) The document entitled "Notice [of Transfer of Deed or Title] **TO**
32 **HOMEOWNER**" shall:

1 (1) Contain the [entire agreement of the parties] **TOTAL SALES**
2 **PRICE OF THE RESIDENCE IN DEFAULT AND AN EXPLANATION OF THE**
3 **DISTRIBUTION OF THE PROCEEDS OF THE SALE, INCLUDING ANY PAYMENTS TO**
4 **ANY PARTIES, INCLUDING THE FORECLOSURE CONSULTANT;**

5 (2) Be printed in 12 point type and written in the same language that
6 is used by the homeowner and was used in discussions to describe the foreclosure
7 consultant's or [foreclosure] purchaser's services or to negotiate the transfer or sale of
8 the property;

9 (3) Be dated and personally signed by the homeowner and the
10 [foreclosure] purchaser and witnessed and acknowledged by a notary public appointed
11 and commissioned by the State;

12 (4) Describe in detail the terms of any [foreclosure conveyance] **SALE**
13 **OR TRANSFER** including:

14 (i) The name, business address, telephone number, and
15 facsimile number of the person to whom the deed or title will be **SOLD OR** transferred;

16 (ii) The address of the residence in [foreclosure] **DEFAULT;**

17 (iii) The total consideration to be given **OR RECEIVED,**
18 **DIRECTLY OR INDIRECTLY,** by the [foreclosure] **HOMEOWNER,** purchaser, **AND** the
19 foreclosure consultant[, and any other party as a result of the transfer];

20 (iv) The time at which title is to be **SOLD OR** transferred to the
21 [foreclosure] purchaser [and the terms of any conveyance]; **AND**

22 (v) Any financial or legal obligations [that] **TO WHICH** the
23 homeowner may remain subject [to, including a description of any mortgages, liens, or
24 other obligations that will remain in place;

25 (vi) A description of any services of any nature that the
26 foreclosure purchaser will perform for the homeowner before or after the sale or
27 transfer;

28 (vii) A complete description of the terms of any related
29 agreement designed to allow the homeowner to remain in the home, including the
30 terms of any rental agreement, repurchase agreement, contract for deed, land
31 installment contract, or option to buy, and any provisions for eviction or removal of the
32 homeowner in the case of late payment; and

33 (viii) How any repurchase price or fee associated with any
34 transfer of title or deed back to the homeowner will be calculated.]; **AND**

1 (5) Contain the following statement printed in at least 14 point
 2 boldface type and located in immediate proximity to the space reserved for the
 3 homeowner's signature:

4 "If you change your mind about **SELLING OR** transferring ownership of
 5 your property, you, the homeowner, may [rescind] **CANCEL** the **CONTRACT**
 6 **FOR THE SALE OR** transfer of the deed or title to your property any time within
 7 the next [3] **5** days. **SEE THE ATTACHED NOTICE OF RIGHT TO CANCEL**
 8 **CONTRACT FOR THE SALE OR TRANSFER OF DEED OR TITLE.** [As part of]
 9 **AFTER** any [rescission] **CANCELLATION**, you must repay, within 60 days, any
 10 money spent on your behalf as a result of this agreement, along with interest
 11 calculated at the rate of 8% a year.

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

15 [(c)] **(D)** (1) [If a foreclosure reconveyance is included in a foreclosure
 16 consulting contract or arranged after the execution of a foreclosure consulting
 17 contract, the foreclosure] **THE** purchaser shall provide the homeowner with a
 18 document entitled "**NOTICE OF RIGHT TO CANCEL CONTRACT FOR THE SALE**
 19 **OR TRANSFER OF DEED OR TITLE**".

20 (2) The **DOCUMENT ENTITLED "NOTICE OF RIGHT TO CANCEL**
 21 **CONTRACT FOR THE SALE OR TRANSFER OF DEED OR TITLE"** shall:

22 (i) Be a separate document and not printed on the back of any
 23 other document; and

24 (ii) Contain the following statement printed in at least 14 point
 25 type:

26 "NOTICE OF RIGHT TO CANCEL **CONTRACT FOR THE SALE OR**
 27 **TRANSFER OF DEED OR TITLE**

28 (Date)

29 You may cancel [or rescind] the **CONTRACT FOR THE SALE OR** transfer
 30 of ownership of your property [through the transfer of a deed or title] within [3]
 31 **5** business days after the date you sign this document **AND ARE NOTIFIED OF**
 32 **THIS RIGHT.**

33 To [rescind] **CANCEL** this [transaction] **CONTRACT**, mail or deliver a
 34 signed and dated copy of this Notice, or any other written notice expressing a
 35 similar intent to (name of [foreclosure consultant] **PURCHASER**) at (address of
 36 [foreclosure consultant] **PURCHASER**, including facsimile and electronic mail).

1 [As part of] **AFTER** any [rescission] **CANCELLATION**, you (the
2 homeowner) must repay any money spent on your behalf as a result of this
3 agreement, within 60 days, along with interest calculated at the rate of 8% a
4 year.

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

8 **NOTICE OF [RESCISSION] CANCELLATION**

9 TO: (name of [foreclosure consultant] **PURCHASER**)

10 (address of [foreclosure consultant] **PURCHASER**, including facsimile and
11 electronic mail)

12 I hereby [rescind] **CANCEL** the **CONTRACT FOR THE SALE OR** transfer
13 of deed or title to my property. Please return all executed documents to me.

14 (Date)

15 (Homeowner's signature)".

16 [(d)] **(E)** The [foreclosure] purchaser shall provide the homeowner with a
17 copy of the Notice of Right to Cancel **CONTRACT FOR THE SALE OR** Transfer of Deed
18 or Title immediately on execution of any document that includes [a foreclosure
19 reconveyance] **AN AGREEMENT TO SELL OR TRANSFER.**

20 [(e)] **(F)** The time during which the homeowner may [rescind] **CANCEL** the
21 contract **FOR THE SALE** or transfer does not begin to run until the [foreclosure]
22 purchaser has complied with this [section] **PART.**

23 [(f)] **(G)** Any provision in a [foreclosure consulting] contract or other
24 agreement concerning a [foreclosure reconveyance] **SALE OR TRANSFER OF A**
25 **RESIDENCE ON DEFAULT** that attempts or purports to waive the homeowner's rights
26 under this [section] **TITLE**, consent to jurisdiction for litigation or choice of law in a
27 state other than Maryland, consent to venue in a county other than the county in
28 which the property is located, or impose any costs or filing fees greater than the fees
29 required to file an action in a circuit court, is void.

30 [(g)] **(H)** A [foreclosure reconveyance] **SALE OR TRANSFER OF A**
31 **RESIDENCE IN DEFAULT** may not be carried out using:

32 **(1)** [a] **A** power of attorney from the homeowner; **OR**

1 (2) **A QUIT CLAIM DEED.**

2 [(h)] (I) A notice of [rescission] **CANCELLATION** need not take the
3 particular form specified in this [subtitle] **SECTION** or any form contained in any
4 agreement with the [foreclosure consultant or foreclosure] purchaser and is effective,
5 however expressed, if it indicates the intention of the homeowner to [rescind] **CANCEL**
6 the [reconveyance agreement] **CONTRACT**.

7 [(i)] (J) The right to [rescind] **CANCEL** may not be conditioned on the
8 repayment of any funds.

9 [(j)] (K) Within 10 days after receipt of a notice of [rescission]
10 **CANCELLATION** given in accordance with this [subtitle] **SECTION**, the [foreclosure]
11 purchaser shall return, without condition, any original deed, title, contract, and any
12 other document signed by the homeowner.

13 [(k)] (L) During the [3-day] **5-DAY** [rescission] **CANCELLATION** period, a
14 deed or other document affecting title to the homeowner's residence **IN DEFAULT** may
15 not be recorded.

16 **[7-311.] 7-312.**

17 [(a)] (1) In this section the following words have the meanings indicated.

18 (2) "Primary housing expenses" means the total amount required to
19 pay regular principal, interest, rent, utilities, hazard insurance, real estate taxes, and
20 association dues on a property.

21 (3) "Resale" means a bona fide market sale of property subject to a
22 foreclosure reconveyance by the foreclosure purchaser to an unaffiliated third party.

23 (4) "Resale price" means the gross sale price of a property on resale.

24 (5) "Settlement" means an in-person, face-to-face meeting with the
25 homeowner to complete final documents incident to the sale or transfer of real
26 property, or the creation of a mortgage or equitable interest in real property,
27 conducted by a settlement agent who is not employed by or an affiliate of the
28 foreclosure purchaser, during which the homeowner must be presented with a
29 completed copy of the HUD-1 Settlement Form.

30 (b)] A [foreclosure] purchaser **OF A RESIDENCE IN DEFAULT** may not:

31 (1) [Enter into, or attempt to enter into, a foreclosure reconveyance
32 with a homeowner unless:

1 (i) The foreclosure purchaser verifies and can demonstrate that
2 the homeowner has or will have a reasonable ability to pay for the subsequent
3 reconveyance of the property back to the homeowner on completion of the terms of a
4 foreclosure conveyance, or, if the foreclosure conveyance provides for a lease with an
5 option to repurchase the property, the homeowner has or will have a reasonable ability
6 to make the lease payments and repurchase the property within the term of the option
7 to repurchase;

8 (ii) The foreclosure purchaser and the homeowner complete a
9 formal settlement before any transfer of an interest in the property is effected; and

10 (iii) The foreclosure] **COMPLETE A SALE OR TRANSFER OF**
11 **THE RESIDENCE IN DEFAULT UNTIL THE** purchaser complies with the requirements
12 of the federal Home Ownership Equity Protection Act, 15 U.S.C. 1639, and its
13 implementing regulations [for any foreclosure reconveyance in which the homeowner
14 obtains a vendee interest in a contract for deed];

15 (2) [Fail to:

16 (i) Ensure that title to the property has been reconveyed to the
17 homeowner in a timely manner if this subtitle or the terms of a foreclosure
18 reconveyance agreement require a reconveyance; or

19 (ii) Make payment to the homeowner within 90 days of any
20 resale of the property so that the homeowner receives cash payments or consideration
21 in an amount equal to at least 82% of the net proceeds from any resale of the property
22 should a property subject to a foreclosure reconveyance be sold within 18 months after
23 entering into a foreclosure reconveyance agreement;

24 (3) Enter into repurchase or lease terms as part of the foreclosure
25 conveyance that are unfair or commercially unreasonable, or engage in any other
26 unfair conduct;

27 (4)] Represent, directly or indirectly, that:

28 (i) The [foreclosure] purchaser is acting as an advisor or a
29 consultant, or in any other manner represent that the [foreclosure] purchaser is acting
30 on behalf of the homeowner;

31 (ii) The [foreclosure] purchaser has certification or licensure
32 that the [foreclosure] purchaser does not have;

33 (iii) The [foreclosure] purchaser is assisting the homeowner to
34 “save the house” or use a substantially similar phrase; or

1 (iv) The [foreclosure] purchaser is assisting the homeowner in
2 preventing a foreclosure if the result of the transaction is that the homeowner will [not
3 complete a redemption of the property] **NO LONGER OWN THE PROPERTY**;

4 [(5)] (3) Make any other statements, directly or by implication, or
5 engage in any other conduct that is false, deceptive, or misleading, or that has the
6 likelihood to cause confusion or misunderstanding, including statements regarding the
7 value of the residence in [foreclosure] **DEFAULT**, the amount of proceeds the
8 homeowner will receive after a [foreclosure] sale **OR TRANSFER**, any contract term, or
9 the homeowner's rights or obligations incident to or arising out of the [foreclosure
10 reconveyance] **SALE OR TRANSFER**; or

11 [(6)] (4) Until the homeowner's right to [rescind or] cancel the
12 transaction has expired:

13 (i) Record any document, including an instrument of
14 conveyance, signed by the homeowner; or

15 (ii) Transfer or encumber or purport to transfer or encumber
16 any interest in the residence in [foreclosure] **DEFAULT** to any third party.

17 [(c) For purposes of subsection (b)(1) of this section, there is a rebuttable
18 presumption that:

19 (1) A homeowner has a reasonable ability to pay for a subsequent
20 reconveyance of the property if the homeowner's payments for primary housing
21 expenses and regular principal and interest payments on other personal debt, on a
22 monthly basis, do not exceed 60% of the homeowner's monthly gross income; and

23 (2) The foreclosure purchaser has not verified reasonable payment
24 ability if the foreclosure purchaser has not obtained documents other than a statement
25 by the homeowner of assets, liabilities, and income.

26 (d) (1) The foreclosure purchaser shall make a detailed accounting of the
27 basis for the amount of a payment made to the homeowner of a property resold within
28 18 months after entering into a foreclosure reconveyance agreement, in accordance
29 with (b)(2)(ii) of this section.

30 (2) The accounting shall be on a form prescribed by the Attorney
31 General in consultation with the Commissioner of Financial Regulation and shall
32 include detailed documentation of expenses and other consideration paid by the
33 foreclosure purchaser and deducted from the resale price.

34 (e) A bona fide purchaser for value or bona fide lender for value who enters
35 into a transaction with a homeowner or a foreclosure purchaser when a foreclosure
36 consulting contract is in effect or during the period when a foreclosure reconveyance
37 may be rescinded, without notice of those facts, receives good title to the property, free

1 and clear of the right of the parties to the foreclosure consulting contract or the right
2 of the homeowner to rescind the foreclosure reconveyance.

3 (f) This subtitle may not be construed to impose any duty on a purchaser,
4 title insurer, or title insurance producer with respect to the application of the proceeds
5 of a sale of property by a foreclosure purchaser.]

6 **7-313.**

7 (A) (1) IF A TENANCY AGREEMENT IS INCLUDED IN A CONTRACT FOR
8 THE SALE OR TRANSFER OF A RESIDENCE IN DEFAULT, THE PURCHASER SHALL
9 PROVIDE THE HOMEOWNER WITH A DOCUMENT ENTITLED "STATEMENT
10 ABOUT TENANCY" AT THE TIME THE CONTRACT IS EXECUTED.

11 (2) THE DOCUMENT ENTITLED "STATEMENT ABOUT
12 TENANCY" SHALL:

13 (I) BE ON A SEPARATE SHEET OF PAPER ATTACHED TO THE
14 CONTRACT FOR THE SALE OR TRANSFER OF A RESIDENCE IN DEFAULT;

15 (II) BE DATED AND PERSONALLY SIGNED BY THE
16 HOMEOWNER AND THE PURCHASER AND BE WITNESSED AND ACKNOWLEDGED
17 BY A NOTARY PUBLIC APPOINTED AND COMMISSIONED BY THE STATE;

18 (III) CONTAIN A STATEMENT INFORMING THE HOMEOWNER
19 OF THE HOMEOWNER'S RIGHT TO A COPY OF A SIGNED LEASE; AND

20 (IV) CONTAIN THE FOLLOWING STATEMENT PRINTED IN AT
21 LEAST 15 POINT TYPE:

22 "STATEMENT ABOUT TENANCY

23 (DATE OF CONTRACT)

24 I AGREE TO SELL MY HOME. I UNDERSTAND THAT I WILL NO LONGER HAVE AN
25 OWNERSHIP INTEREST IN OR ANY OTHER RIGHT TO OWN THIS PROPERTY. EVEN
26 THOUGH I MAY BE ABLE TO LIVE ON THE PREMISES AS A TENANT, I WILL HAVE
27 NO RIGHT TO REPURCHASE THIS PROPERTY OR TO OBTAIN ANY OTHER KIND OF
28 OWNERSHIP INTEREST. IF I DO NOT PAY THE RENT AS AGREED, I MAY BE
29 SUBJECT TO EVICTION. AS A TENANT, I AM ENTITLED TO RECEIVE A WRITTEN
30 LEASE FROM THE NEW OWNER OF THE PROPERTY."

31 (B) THE PURCHASER SHALL PROVIDE THE HOMEOWNER WITH A SIGNED
32 AND DATED COPY OF THE DOCUMENT ENTITLED "STATEMENT ABOUT

1 **TENANCY” IMMEDIATELY UPON EXECUTION OF THE CONTRACT FOR THE SALE**
2 **OR TRANSFER OF THE RESIDENCE IN DEFAULT.**

3 (c) **THE TIME DURING WHICH THE HOMEOWNER MAY CANCEL THE**
4 **CONTRACT FOR THE SALE OR TRANSFER OF A RESIDENCE IN DEFAULT UNDER §**
5 **7-310 OF THIS SUBTITLE DOES NOT BEGIN TO RUN UNTIL THE PURCHASER HAS**
6 **COMPLIED WITH THIS SECTION.**

7 7-314.

8 (a) Each foreclosure surplus acquisition shall be in the form of a written
9 contract.

10 (b) Each foreclosure surplus acquisition contract shall:

11 (1) Contain the entire agreement of the parties;

12 (2) Be printed in at least 12 point type, in the same language that is
13 used by the homeowner and was used by the foreclosure surplus purchaser and the
14 homeowner to negotiate the sale of the residence in foreclosure;

15 (3) Be fully completed, dated, and personally signed by the homeowner
16 and the foreclosure surplus purchaser before the statement of account has been
17 referred to the auditor; and

18 (4) Include:

19 (i) The name, business address, and telephone number of the
20 foreclosure surplus purchaser;

21 (ii) The address of the residence in foreclosure;

22 (iii) The total consideration to be given by the foreclosure
23 surplus purchaser in connection with or incident to the transaction;

24 (iv) A complete description of the terms of payment or other
25 consideration, including any services of any nature that the foreclosure surplus
26 purchaser represents the foreclosure surplus purchaser will perform for the
27 homeowner before or after the sale; and

28 (v) The following notice, which shall be printed in at least 14
29 point boldface type, completed with the name of the foreclosure surplus purchaser, and
30 located in immediate proximity to the space reserved for the homeowner’s signature:

31 “NOTICE REQUIRED BY MARYLAND LAW

1 If you have any questions about this document, seek legal counsel before
2 signing. This is an important legal contract. Failure to read and understand
3 these documents may cause you to lose valuable rights.

4 The effect of these documents is that you may lose the equity in your
5 home. This agreement will not stop the foreclosure or get your house back. If
6 you believe the foreclosure sale was improper, you should immediately seek
7 legal advice to determine what objections to ratification or to [rescind] **CANCEL**
8 the order of ratification may be filed.

9 You may [rescind] **CANCEL** this contract for the sale of your house
10 without any penalty or obligation at any time within 10 days after the auditor
11 states the account of the foreclosure sale. See the attached Notice of
12 [Rescission] **CANCELLATION** form for an explanation of this right. [As part of]
13 **AFTER** the [rescission] **CANCELLATION**, you must repay from the surplus
14 proceeds any consideration received, directly or indirectly, together with an
15 amount for interest calculated at the rate of 8% a year.”

16 (c) (1) The contract shall be accompanied by a completed form in
17 duplicate, captioned “Notice of [Rescission] **CANCELLATION**”.

18 (2) The Notice of [Rescission] **CANCELLATION** shall:

- 19 (i) Be on a separate sheet of paper attached to the contract;
- 20 (ii) Be easily detachable; and
- 21 (iii) Contain the following statement printed in at least 15 point
22 type:

23 **“NOTICE OF [RESCISSION] CANCELLATION**

24 (Date of contract)

25 You may [rescind] **CANCEL** this contract for the sale of your house at any
26 time within 10 days after the auditor states the account of the foreclosure sale.

27 To cancel this transaction, mail or deliver a signed and dated copy of this
28 Notice of [Rescission] **CANCELLATION** to (Name of
29 purchaser) at (Address of purchaser, including
30 facsimile and electronic mail) with a copy to the court appointed auditor.

31 I hereby [rescind] **CANCEL** this transaction.

32 (Date)

1 (Homeowner’s signature)”.

2 (d) The foreclosure surplus purchaser shall provide the homeowner with a
 3 copy of the contract and the attached Notice of [Rescission] **CANCELLATION** at the
 4 time the contract is executed by all parties.

5 (e) The contract required by this section survives delivery of any instrument
 6 of conveyance of the residence in foreclosure, is binding in the audit, and has no effect
 7 on persons other than the parties to the contract.

8 (f) Any provision in a contract that attempts or purports to waive any of the
 9 rights specified in this title, consent to jurisdiction or choice of law in a state other
 10 than Maryland, consent to venue in a county other than the county in which the
 11 property is located, or impose any costs or filing fees greater than the fees required to
 12 file an action in a circuit court, is void.

13 7–315.

14 (a) In addition to any other right [of rescission] **TO CANCEL**, a homeowner
 15 has the right to [rescind] **CANCEL** any contract with a foreclosure surplus purchaser
 16 at any time within 10 days after the statement of audit account of the foreclosure sale.

17 (b) (1) [Rescission] **CANCELLATION** occurs when the homeowner
 18 delivers, by any means, written Notice of [Rescission] **CANCELLATION** to the address
 19 specified in the contract, with a copy to the auditor. As part of the [rescission]
 20 **CANCELLATION**, the homeowner shall repay any consideration received directly or
 21 indirectly, together with interest calculated at the rate of 8% a year.

22 (2) On receipt of the Notice of [Rescission] **CANCELLATION**, the
 23 auditor shall restate the account. The repayment of consideration and interest by the
 24 homeowner shall be incorporated by the auditor into the revised statement of account
 25 filed with the court.

26 (3) Upon ratification of the amended audit, the attorney named in the
 27 mortgage, mortgage assignee for purposes of foreclosure, trustee, or substitute trustee
 28 in making distribution of the surplus funds shall comply with the revised
 29 court–approved audit.

30 (c) A Notice of [Rescission]**CANCELLATION** given by a homeowner need not
 31 be in the form provided with the contract and is effective, however expressed, if it
 32 indicates the intention of the homeowner to [rescind] **CANCEL** the contract.

33 (d) The right to [rescind] **CANCEL** may not be conditioned on the repayment
 34 of any funds.

35 (e) Within 10 days after receipt of a Notice of [Rescission] **CANCELLATION**
 36 given in accordance with this section, the foreclosure surplus purchaser shall return,

1 without condition, the original contract and all other documents signed by the
2 homeowner.

3 7-318.

4 (a) A person may not induce or attempt to induce a homeowner to waive the
5 homeowner's rights under this subtitle.

6 (b) Any waiver by a homeowner of the provisions of this subtitle is void and
7 unenforceable as contrary to public policy.

8 **7-318.1.**

9 **IT IS A VIOLATION OF THIS SUBTITLE IF A FORECLOSURE CONSULTANT:**

10 **(1) FAILS TO OBTAIN A REAL ESTATE BROKER'S LICENSE AS**
11 **REQUIRED UNDER § 7- 308 OF THIS SUBTITLE; OR**

12 **(2) VIOLATES ANY PROVISION OF TITLE 17 OF THE BUSINESS**
13 **OCCUPATIONS AND PROFESSIONS ARTICLE.**

14 7-319.

15 (a) The Attorney General **OR THE COMMISSIONER** may seek an injunction
16 to prohibit a person who has engaged or is engaging in a violation of this subtitle from
17 engaging or continuing to engage in the violation.

18 (b) The court may enter any order or judgment necessary to:

19 (1) Prevent the use by a person of any prohibited practice;

20 (2) Restore to a person any money or real or personal property
21 acquired from the person by means of any prohibited practice; or

22 (3) Appoint a receiver in case of willful violation of this title.

23 (c) In any action brought by the Attorney General **OR THE COMMISSIONER**
24 under this section, the Attorney General **OR THE COMMISSIONER** is entitled to
25 recover the costs of the action for the use of the State.

26 **(D) A VIOLATION OF THIS SUBTITLE IS AN UNFAIR OR DECEPTIVE**
27 **TRADE PRACTICE WITHIN THE MEANING OF TITLE 13 OF THE COMMERCIAL**
28 **LAW ARTICLE AND IS SUBJECT TO THE ENFORCEMENT AND PENALTY**
29 **PROVISIONS CONTAINED IN TITLE 13 OF THE COMMERCIAL LAW ARTICLE.**

30 7-320.

1 (a) In addition to any action by the Attorney General **OR THE**
2 **COMMISSIONER** authorized under this subtitle and any other action otherwise
3 authorized by law, a homeowner may bring an action for damages incurred as the
4 result of a practice prohibited by this subtitle.

5 (b) A homeowner who brings an action under this section and who is
6 awarded damages may also seek, and the court may award, reasonable attorney's fees.

7 (c) If the court finds that the defendant willfully or knowingly violated this
8 subtitle, the court may award damages equal to three times the amount of actual
9 damages.

10 **7-321.**

11 (a) A person who violates any provision of this subtitle is guilty of a
12 misdemeanor and on conviction is subject to imprisonment not exceeding 3 years or a
13 fine not exceeding \$10,000 or both.

14 (b) A person who violates this subtitle is subject to § 5-106(b) of the Courts
15 Article.

16 **7-322.**

17 **(A) IF A CRIMINAL PROSECUTION UNDER THIS SUBTITLE RESULTS IN A**
18 **CONVICTION, THE ATTORNEY GENERAL OR THE STATE'S ATTORNEY WHO HAS**
19 **PROSECUTED THE CASE SHALL NOTIFY THE COMMISSIONER IN WRITING OF THE**
20 **CONVICTION WITHIN 30 DAYS OF THE CONVICTION.**

21 **(B) THE NOTICE REQUIRED UNDER SUBSECTION (A) OF THIS SECTION**
22 **SHALL INCLUDE:**

23 **(1) THE NAME AND ADDRESS OF THE PERSON CONVICTED; AND**

24 **(2) A COPY OF THE JUDGMENT IN THE CRIMINAL CASE.**

25 **7-323. RESERVED.**

26 **7-324. RESERVED.**

27 **PART VI. SHORT TITLE.**

28 **7-325.**

1 **THIS SUBTITLE MAY BE CITED AS THE “PROTECTION OF HOMEOWNERS IN**
2 **FORECLOSURE ACT”.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 June 1, 2008.