

HOUSE BILL 733

N1

9lr3105
CF SB 829

By: **Delegates Lafferty, Ali, Glenn, Hecht, Niemann, and Stein**

Introduced and read first time: February 10, 2009

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Tenants in Foreclosure Protection Act**

3 FOR the purpose of establishing that a foreclosure sale of certain property shall be
4 made subject to a certain tenancy under certain circumstances; providing for
5 the effect of a foreclosure sale on a certain lease; and generally relating to the
6 effect of a foreclosure sale on certain tenancies.

7 BY repealing and reenacting, with amendments,
8 Article - Real Property
9 Section 7-105
10 Annotated Code of Maryland
11 (2003 Replacement Volume and 2008 Supplement)

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

14 **Article - Real Property**

15 7-105.

16 (a) A provision may be inserted in a mortgage or deed of trust authorizing
17 any natural person named in the instrument, including the secured party, to sell the
18 property or declaring the borrower's assent to the passing of a decree for the sale of the
19 property, on default in a condition on which the mortgage or deed of trust provides
20 that a sale may be made.

21 (b) A sale made pursuant to this section, §§ 7-105.1 through 7-105.8 of this
22 subtitle, or the Maryland Rules, after final ratification by the court and grant of the
23 property to the purchaser on payment of the purchase money, has the same effect as if
24 the sale and grant were made under decree between the proper parties in relation to
25 the mortgage or deed of trust and in the usual course of the court, and, **SUBJECT TO**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **SUBSECTION (C) OF THIS SECTION**, operates to pass all the title which the borrower
2 had in the property at the time of the recording of the mortgage or deed of trust.

3 **(C) (1) A FORECLOSURE SALE OF RESIDENTIAL PROPERTY, AS**
4 **DEFINED IN § 7-105.1 OF THIS SUBTITLE, SHALL BE MADE SUBJECT TO ANY**
5 **TENANCY ENTERED INTO SUBSEQUENT TO THE RECORDING OF THE MORTGAGE**
6 **OR DEED OF TRUST OR OTHERWISE SUBORDINATED TO THE MORTGAGE OR**
7 **DEED OF TRUST, IF THE TENANCY EXISTED BEFORE THE NOTICE OF INTENT TO**
8 **FORECLOSE UNDER § 7-105.1 OF THIS SUBTITLE IS SENT.**

9 **(2) ANY LEASE CONTINUING UNDER THIS SUBSECTION IS**
10 **UNAFFECTED BY THE SALE, EXCEPT THAT:**

11 **(I) THE PURCHASER SHALL BECOME THE LANDLORD, AS**
12 **OF THE DATE OF THE SALE, ON RATIFICATION OF THE SALE; AND**

13 **(II) THE LEASE SHALL TERMINATE NOT LATER THAN 3**
14 **MONTHS AFTER THE DATE OF SALE, UNLESS EXTENDED OR RENEWED BY**
15 **AGREEMENT OF THE PARTIES.**

16 **SECTION 2. AND BE IT FURTHER ENACTED**, That this Act shall take effect
17 **October 1, 2009.**