

# HOUSE BILL 1319

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By: **Delegates Mizeur, Braveboy, Carr, Carter, Conaway, Gaines, Glass, Haynes, Howard, Hubbard, Jameson, A. Kelly, A. Miller, Oaks, Stukes, Valderrama, Vaughn, Walker, and A. Washington**

Introduced and read first time: February 7, 2014

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Foreclosures – Deficiency Judgments Prohibited and**  
3 **Definition of “Secured Party”**  
4 **(Foreclosure Protection Act)**

5 FOR the purpose of defining the term “secured party” for purposes of provisions of law  
6 governing actions to foreclose certain mortgages and deeds of trust; prohibiting  
7 a lender who forecloses on a certain mortgage or deed of trust from filing a  
8 motion for a deficiency judgment if certain proceeds are insufficient to satisfy  
9 the debt and accrued interest; and generally relating to foreclosure procedures.

10 BY adding to

11 Article – Real Property  
12 Section 7–105.1(a)(12) and 7–114  
13 Annotated Code of Maryland  
14 (2010 Replacement Volume and 2013 Supplement)

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

17 **Article – Real Property**

18 7–105.1.

19 (a) **(12) (I) “SECURED PARTY” MEANS THE OWNER OF A DEBT**  
20 **INSTRUMENT SECURED BY A MORTGAGE OR DEED OF TRUST ON RESIDENTIAL**  
21 **PROPERTY.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                   **(II) “SECURED PARTY” DOES NOT INCLUDE THE MORTGAGE**  
2 **ELECTRONIC REGISTRATION SYSTEMS, INC. OR ANY OTHER SIMILAR REGISTRY**  
3 **OR DATABASE THAT TRACKS MORTGAGE LOAN SERVICERS OR OWNERS.**

4 **7-114.**

5           **(A) IN THIS SECTION, “RESIDENTIAL PROPERTY” MEANS REAL**  
6 **PROPERTY IMPROVED BY FOUR OR FEWER SINGLE FAMILY DWELLING UNITS**  
7 **THAT ARE DESIGNED PRINCIPALLY AND ARE INTENDED FOR HUMAN**  
8 **HABITATION.**

9           **(B) A SECURED PARTY WHO FORECLOSES ON A MORTGAGE OR DEED OF**  
10 **TRUST ON RESIDENTIAL PROPERTY UNDER THIS SUBTITLE MAY NOT FILE A**  
11 **MOTION FOR A DEFICIENCY JUDGMENT IF THE PROCEEDS OF THE SALE, DEED**  
12 **IN LIEU OF FORECLOSURE, OR ANY OTHER FORECLOSURE-RELATED**  
13 **SETTLEMENT ARE INSUFFICIENT TO SATISFY THE DEBT AND THE ACCRUED**  
14 **INTEREST.**

15           **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
16 **October 1, 2014.**