

# SENATE BILL 708

D3, N1

4r1215  
CF HB 274

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By: **Senators Raskin, Benson, Currie, Jones–Rodwell, Madaleno, Manno, Montgomery, Muse, Pinsky, Pugh, Ramirez, Rosapepe, and Stone**

Introduced and read first time: January 31, 2014

Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 14, 2014

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Civil Actions – Statute of Limitations for Certain Specialties and Motion for**  
3 **Certain Deficiency Judgments**

4 FOR the purpose of altering the time period within which a civil action on certain  
5 specialties shall be filed; authorizing a certain party, within a certain time  
6 period, to file a motion for a deficiency judgment under certain circumstances;  
7 requiring the party to serve the motion in accordance with certain procedures;  
8 providing that the filing of a certain motion shall constitute the sole  
9 post–ratification remedy available to a certain party under certain  
10 circumstances; providing for the application of this Act; and generally relating  
11 to specialties and deficiency judgments.

12 BY repealing and reenacting, without amendments,  
13 Article – Courts and Judicial Proceedings  
14 Section 5–101  
15 Annotated Code of Maryland  
16 (2013 Replacement Volume and 2013 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Courts and Judicial Proceedings  
19 Section 5–102  
20 Annotated Code of Maryland  
21 (2013 Replacement Volume and 2013 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to  
 2 Article – Real Property  
 3 Section 7–105.13  
 4 Annotated Code of Maryland  
 5 (2010 Replacement Volume and 2013 Supplement)

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

8 **Article – Courts and Judicial Proceedings**

9 5–101.

10 A civil action at law shall be filed within three years from the date it accrues  
 11 unless another provision of the Code provides a different period of time within which  
 12 an action shall be commenced.

13 5–102.

14 (a) An action on one of the following specialties shall be filed within 12 years  
 15 after the cause of action accrues, or within 12 years from the date of the death of the  
 16 last to die of the principal debtor or creditor, whichever is sooner:

- 17 (1) Promissory note or other instrument under seal;  
 18 (2) Bond except a public officer's bond;  
 19 (3) Judgment;  
 20 (4) Recognizance;  
 21 (5) Contract under seal; or  
 22 (6) Any other specialty.

23 (b) A payment of principal or interest on a specialty suspends the operation  
 24 of this section as to the specialty for three years after the date of payment.

25 (c) This section does not apply to [a]:

26 (1) A specialty taken for the use of the State; OR

27 (2) A DEED OF TRUST, MORTGAGE, OR PROMISSORY NOTE THAT  
 28 HAS BEEN SIGNED UNDER SEAL ~~BY A MORTGAGOR~~ AND SECURES OR IS SECURED  
 29 BY OWNER-OCCUPIED RESIDENTIAL PROPERTY, AS ~~THAT TERM IS~~ DEFINED IN §  
 30 7–105.1 OF THE REAL PROPERTY ARTICLE.

## 1 Article – Real Property

## 2 7-105.13.

3 (A) ~~WITHIN 180 DAYS AFTER~~ AFTER THE FINAL RATIFICATION OF THE  
4 AUDITOR'S REPORT FOLLOWING A SALE MADE IN ACCORDANCE WITH §§ 7-105  
5 THROUGH 7-105.8 OF THIS SUBTITLE OR THE MARYLAND RULES, A SECURED  
6 PARTY OR AN APPROPRIATE PARTY IN INTEREST MAY FILE A MOTION FOR A  
7 DEFICIENCY JUDGMENT IF THE PROCEEDS OF THE SALE, AFTER DEDUCTING  
8 ALL COSTS AND EXPENSES ALLOWED BY THE COURT, ARE INSUFFICIENT TO  
9 SATISFY THE DEBT AND ACCRUED INTEREST.

10 (B) A MOTION FOR DEFICIENCY JUDGMENT UNDER THIS SECTION  
11 SHALL BE FILED WITHIN 3 YEARS AFTER THE FINAL RATIFICATION OF THE  
12 AUDITOR'S REPORT.

13 ~~(B)~~ (C) THE SECURED PARTY OR PARTY IN INTEREST SHALL SERVE  
14 THE MOTION IN ACCORDANCE WITH THE MARYLAND RULES.

15 ~~(C)~~ (D) THE FILING OF A MOTION FOR DEFICIENCY JUDGMENT IN  
16 ACCORDANCE WITH THIS SECTION AND THE MARYLAND RULES SHALL  
17 CONSTITUTE THE SOLE POST-RATIFICATION REMEDY AVAILABLE TO A SECURED  
18 PARTY OR PARTY IN INTEREST FOR BREACH OF A COVENANT CONTAINED IN A  
19 DEED OF TRUST, MORTGAGE, OR PROMISSORY NOTE THAT SECURES OR IS  
20 SECURED BY OWNER-OCCUPIED RESIDENTIAL PROPERTY, AS ~~THAT TERM IS~~  
21 DEFINED IN § 7-105.1 OF THIS SUBTITLE.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
23 construed to apply only prospectively and may not be applied or interpreted to have  
24 any effect on or application to any cause of action arising before the effective date of  
25 this Act.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 July 1, 2014.