

SENATE BILL 783

N1

5lr2721

By: **Senator Brochin**

Introduced and read first time: February 18, 2015

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Foreclosure Sales of Residential Property – Motion for Deficiency Judgment**

3 FOR the purpose of altering the time period within which a certain motion for a deficiency
4 judgment must be filed; providing for the application of this Act; providing that any
5 motion for a deficiency judgment on a certain deed of trust, mortgage, or promissory
6 note for which an auditor’s report has final ratification must be filed within a certain
7 time period under certain circumstances; and generally relating to deficiency
8 judgments with regard to foreclosure sales of residential property.

9 BY repealing and reenacting, with amendments,
10 Article – Real Property
11 Section 7–105.13
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2014 Supplement)

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

16 **Article – Real Property**

17 7–105.13.

18 (a) (1) In this section the following words have the meanings indicated.

19 (2) “Owner–occupied residential property” has the meaning stated in §
20 7–105.1 of this subtitle.

21 (3) “Residential property” has the meaning stated in § 7–105.1 of this
22 subtitle.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) This section applies to residential property that was owner-occupied
2 residential property at the time an order to docket or complaint to foreclose was filed.

3 (c) After the final ratification of the auditor's report following a sale made in
4 accordance with §§ 7-105.1 through 7-105.8 of this subtitle or the Maryland Rules, a
5 secured party or an appropriate party in interest may file a motion for a deficiency
6 judgment if the proceeds of the sale, after deducting all costs and expenses allowed by the
7 court, are insufficient to satisfy the debt and accrued interest.

8 (d) A motion for deficiency judgment under this section shall be filed within [3] 2
9 years after the final ratification of the auditor's report.

10 (e) The secured party or party in interest shall serve the motion in accordance
11 with the Maryland Rules.

12 (f) The filing of a motion for deficiency judgment in accordance with this section
13 and the Maryland Rules shall constitute the sole post-ratification remedy available to a
14 secured party or party in interest for breach of a covenant contained in a deed of trust,
15 mortgage, or promissory note that secures or is secured by owner-occupied residential
16 property.

17 SECTION 2. AND BE IT FURTHER ENACTED, That, except as provided in Section
18 3 of this Act, Section 1 of this Act shall be construed to apply only prospectively to any
19 motion for a deficiency judgment that is filed on or after the effective date of this Act on a
20 deed of trust, mortgage, or promissory note that secures or is secured by residential
21 property that was owner-occupied residential property at the time the order to docket or
22 complaint to foreclose was filed.

23 SECTION 3. AND BE IT FURTHER ENACTED, That any motion for a deficiency
24 judgment on a deed of trust, mortgage, or promissory note that secures or is secured by
25 residential property that was owner-occupied residential property at the time the order to
26 docket or complaint to foreclose was filed for which an auditor's report has final ratification
27 before July 1, 2015, and would not be barred under Maryland Rule 14-216 before July 1,
28 2015, must be filed within 2 years after the date of final ratification or before July 1, 2017,
29 whichever occurs first.

30 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2015.