

# HOUSE BILL 538

N1

6lr2713

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By: **Delegate Holmes**

Introduced and read first time: February 3, 2016

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2016

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

1 AN ACT concerning

2 **Real Property – ~~Notice of~~ Notices of Foreclosure Sale and Postponement or**  
3 **Cancellation of Foreclosure Sale**

4 FOR the purpose of requiring the person authorized to make a foreclosure sale to give  
5 written notice of the proposed sale to a certain condominium or homeowners  
6 association at a certain time and in a certain manner; requiring the trustee, within  
7 a certain time after the postponement or cancellation of a foreclosure sale, to send a  
8 notice that the sale was postponed or canceled to the record owner of the property  
9 and a certain condominium or homeowners association in a certain manner;  
10 providing for the application of this Act; and generally relating to notice of a  
11 foreclosure sale.

12 BY repealing and reenacting, with amendments,  
13 Article – Real Property  
14 Section 7–105.2  
15 Annotated Code of Maryland  
16 (2015 Replacement Volume)

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

19 **Article – Real Property**

20 7–105.2.

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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 (a) In this section, "record owner" means the person holding record title to  
2 property as of the later of:

3 (1) 30 days before the day on which a foreclosure sale of the property is  
4 actually held; and

5 (2) The date on which an action to foreclose the mortgage or deed of trust  
6 is filed.

7 (b) In addition to any notice required to be given by provisions of the Annotated  
8 Code of Maryland or the Maryland Rules, the person authorized to make a sale in an action  
9 to foreclose a mortgage or deed of trust shall give written notice of the proposed sale to ~~the~~:

10 **(1) THE** record owner of the property to be sold; **AND**

11 **(2) A CONDOMINIUM OR HOMEOWNERS ASSOCIATION THAT, AT LEAST**  
12 **30 DAYS BEFORE THE DATE OF THE PROPOSED SALE, HAS RECORDED A STATEMENT**  
13 **OF LIEN AGAINST THE PROPERTY UNDER THE MARYLAND CONTRACT LIEN ACT.**

14 (c) (1) The written notice shall be sent:

15 (i) By certified mail, postage prepaid, return receipt requested,  
16 bearing a postmark from the United States Postal Service, to the record owner **AND, IF**  
17 **APPLICABLE, TO A CONDOMINIUM OR HOMEOWNERS ASSOCIATION AT THE ADDRESS**  
18 **SHOWN ON THE STATEMENT OF LIEN;** and

19 (ii) By first-class mail.

20 (2) The notice shall state the time, place, and terms of the sale and shall  
21 be sent not earlier than 30 days and not later than 10 days before the date of sale.

22 (3) The person giving the notice shall file in the proceedings:

23 (i) A return receipt; or

24 (ii) An affidavit that:

25 1. The provisions of this subsection have been complied with;  
26 or

27 2. The address of the record owner is not reasonably  
28 ascertainable.

29 (4) The person authorized to make a sale in an action to foreclose a  
30 mortgage or deed of trust is not required to give notice to a record owner whose address is  
31 not reasonably ascertainable.

1 (d) In the event of postponement OR CANCELLATION of THE sale, which may be  
 2 done in the discretion of the trustee, [no new or additional notice need be given pursuant  
 3 to this section] THE TRUSTEE SHALL, WITHIN 14 DAYS AFTER THE POSTPONEMENT  
 4 OR CANCELLATION, SEND A NOTICE THAT THE SALE WAS POSTPONED OR CANCELED  
 5 TO THE RECORD OWNER AND, IF APPLICABLE, TO A CONDOMINIUM OR  
 6 HOMEOWNERS ASSOCIATION TO WHICH NOTICE OF THE PROPOSED SALE WAS SENT  
 7 UNDER SUBSECTION (C) OF THIS SECTION, BY FIRST-CLASS MAIL, POSTAGE  
 8 PREPAID.

9 (e) The right of a record owner to file an action for the failure of the person  
 10 authorized to make a sale in an action to foreclose a mortgage or deed of trust to comply  
 11 with the provisions of this section shall expire 3 years after the date of the order ratifying  
 12 the foreclosure sale.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to any  
 14 foreclosure sale scheduled to occur on a date after the effective date of this Act.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 16 October 1, 2016.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.