

HOUSE BILL 425

D3, N1

9lr0599

By: **Delegates Sydnor and Pena–Melnik**
Introduced and read first time: January 31, 2019
Assigned to: Judiciary

Committee Report: Favorable with amendments
Committee amendments withdrawn, March 12, 2019
House action: Adopted with substitute committee amendments
Read second time: March 12, 2019

CHAPTER _____

1 AN ACT concerning

2 **Civil Actions – Unfair, Abusive, or Deceptive Trade Practices by Mortgage**
3 **Servicer – Statute of Limitations**

4 FOR the purpose of extending the statute of limitations applicable to certain civil actions
5 relating to unfair, abusive, or deceptive trade practices filed against a mortgage
6 servicer; limiting the application of this Act to claims relating to certain residential
7 property; providing for the ~~retroactive~~ application of this Act; defining certain terms;
8 and generally relating to unfair, abusive, or deceptive trade practices by mortgage
9 servicers and the applicable statute of limitations.

10 BY adding to
11 Article – Courts and Judicial Proceedings
12 Section 5–121
13 Annotated Code of Maryland
14 (2013 Replacement Volume and 2018 Supplement)

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

17 **Article – Courts and Judicial Proceedings**

18 **5–121.**

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) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANING
2 INDICATED.

3 (2) "HOMEOWNER" MEANS:

4 (I) A RECORD OWNER OF RESIDENTIAL PROPERTY THAT IS
5 OWNER-OCCUPIED AT THE TIME THE ALLEGED VIOLATION OF § 13-301 OF THE
6 COMMERCIAL LAW ARTICLE OR OTHER STATE LAW OCCURRED; OR

7 (II) AN INDIVIDUAL WHO OCCUPIES RESIDENTIAL PROPERTY
8 UNDER A USE AND POSSESSION ORDER ISSUED UNDER TITLE 8, SUBTITLE 2 OF THE
9 FAMILY LAW ARTICLE.

10 (3) "MORTGAGE SERVICER" HAS THE MEANING STATED IN § 11-501
11 OF THE FINANCIAL INSTITUTIONS ARTICLE.

12 (4) "RESIDENTIAL PROPERTY" HAS THE MEANING STATED IN §
13 7-105.1 OF THE REAL PROPERTY ARTICLE.

14 (5) "UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE" HAS THE
15 MEANING STATED IN § 13-301 OF THE COMMERCIAL LAW ARTICLE.

16 (B) THIS SECTION APPLIES ONLY TO CLAIMS RELATING TO RESIDENTIAL
17 PROPERTY.

18 (C) AN ACTION FILED BY A HOMEOWNER AGAINST A MORTGAGE SERVICER
19 FOR DAMAGES ARISING OUT OF AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE
20 PRACTICE SHALL BE FILED WITHIN THE ~~LATER~~ EARLIER OF:

21 (1) ~~12~~ 5 YEARS AFTER A FORECLOSURE SALE OF THE RESIDENTIAL
22 PROPERTY; OR

23 (2) ~~3 YEARS AFTER THE HOMEOWNER DISCOVERED OR SHOULD HAVE~~
24 ~~DISCOVERED THE MORTGAGE SERVICER'S UNFAIR, ABUSIVE, OR DECEPTIVE TRADE~~
25 ~~PRACTICE~~ IF THE MORTGAGE SERVICER DISCLOSES ITS UNFAIR, ABUSIVE, OR
26 DECEPTIVE TRADE PRACTICE TO THE HOMEOWNER, 3 YEARS AFTER THE
27 DISCLOSURE TO THE HOMEOWNER.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
29 apply ~~retroactively to revive an action that was barred by the application of the period of~~
30 ~~limitations applicable before October 1, 2019~~ only prospectively and may not be applied or
31 interpreted to have any effect on or application to any cause of action arising before the
32 effective date of this Act.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.