

# HOUSE BILL 523

N1  
HB 769/25 – ENT

6lr1056  
CF SB 353

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By: **Delegates D. Jones, Stewart, Lehman, Allen, Bagnall, Behler, Chang, Crutchfield, Embry, Feldmark, Foley, Fraser-Hidalgo, Guyton, Guzzone, Hill, Martinez, Moon, Moreno, Palakovich Carr, Pruski, Roberts, Ruff, Solomon, Toles, Watson, and Williams**

Introduced and read first time: January 27, 2026

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2026

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

1 AN ACT concerning

2 **Real Property – Residential Foreclosures – Commencement Restrictions**

3 FOR the purpose of establishing certain restrictions for the commencement of a foreclosure  
4 and an order to docket or a complaint to foreclose a mortgage or deed of trust on  
5 residential property; and generally relating to an action to foreclose a mortgage or  
6 deed of trust on residential property.

7 BY repealing and reenacting, without amendments,

8 Article – Real Property

9 Section 7–105.1(a)(1), (8), and (12) and (b)

10 Annotated Code of Maryland

11 (2023 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Real Property

14 Section 7–105.1(e)

15 Annotated Code of Maryland

16 (2023 Replacement Volume and 2025 Supplement)

17 BY adding to

18 Article – Real Property

19 Section 7–105.1(e–1)

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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 Annotated Code of Maryland  
2 (2023 Replacement Volume and 2025 Supplement)

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

5 **Article – Real Property**

6 7–105.1.

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

8 (8) “Owner–occupied residential property” means residential property in  
9 which at least one unit is occupied by an individual who:

10 (i) Has an ownership interest in the property; and

11 (ii) Uses the property as the individual’s primary residence.

12 (12) “Residential property” means real property improved by four or fewer  
13 single family dwelling units that are designed principally and are intended for human  
14 habitation.

15 (b) (1) Except as provided in paragraph (2) of this subsection, an action to  
16 foreclose a mortgage or deed of trust on residential property may not be filed until the later  
17 of:

18 (i) 90 days after a default in a condition on which the mortgage or  
19 deed of trust provides that a sale may be made; or

20 (ii) 45 days after the notice of intent to foreclose required under  
21 subsection (c) of this section is sent.

22 (2) (i) The secured party may petition the circuit court for leave to  
23 immediately commence an action to foreclose the mortgage or deed of trust if:

24 1. The loan secured by the mortgage or deed of trust was  
25 obtained by fraud or deception;

26 2. No payments have ever been made on the loan secured by  
27 the mortgage or deed of trust;

28 3. The property subject to the mortgage or deed of trust has  
29 been destroyed;

30 4. The default occurred after the stay has been lifted in a  
31 bankruptcy proceeding; or

1                                   5.     The property subject to the mortgage or deed of trust is  
2 property that is vacant and abandoned as provided under § 7–105.18 of this subtitle.

3                                   (ii)    The court may rule on the petition with or without a hearing.

4                                   (iii)  If the petition is granted:

5                                   1.     The action may be filed at any time after a default in a  
6 condition on which the mortgage or deed of trust provides that a sale may be made; and

7                                   2.     The secured party need not send the written notice of  
8 intent to foreclose required under subsection (c) of this section.

9           (e)    An order to docket or a complaint to foreclose a mortgage or deed of trust on  
10 residential property shall:

11                   (1)    Include:

12                                   (i)    If applicable, the license number of:

13                                   1.     The mortgage originator; and

14                                   2.     The mortgage lender; and

15                                   (ii)  An affidavit stating:

16                                   1.     The date on which the default occurred and the nature of  
17 the default; and

18                                   2.     If applicable, that:

19                                   A.     A notice of intent to foreclose was sent to the mortgagor or  
20 grantor in accordance with subsection (c) of this section and the date on which the notice  
21 was sent; and

22                                   B.     At the time the notice of intent to foreclose was sent, the  
23 contents of the notice of intent to foreclose were accurate; [and]

24                   (2)    Be accompanied by:

25                                   (i)    The original or a certified copy of the mortgage or deed of trust;

26                                   (ii)  A statement of the debt remaining due and payable supported by  
27 an affidavit of the plaintiff or the secured party or the agent or attorney of the plaintiff or  
28 secured party;

1 (iii) A copy of the debt instrument accompanied by an affidavit  
2 certifying ownership of the debt instrument;

3 (iv) If applicable, the original or a certified copy of the assignment of  
4 the mortgage for purposes of foreclosure or the deed of appointment of a substitute trustee;

5 (v) If any defendant is an individual, an affidavit that is in  
6 compliance with § 521 of the Servicemembers Civil Relief Act, 50 U.S.C. App. § 501 et seq.;

7 (vi) If applicable, a copy of the notice of intent to foreclose;

8 (vii) If the secured party and mortgagor or grantor have elected to  
9 participate in prefile mediation, the report of the prefile mediation issued by the Office of  
10 Administrative Hearings;

11 (viii) If the secured party and the mortgagor or grantor have not  
12 elected to participate in prefile mediation, a statement that the parties have not elected to  
13 participate in prefile mediation;

14 (ix) In addition to any other filing fees required by law, a filing fee in  
15 the amount of \$450; and

16 (x) 1. If the loss mitigation analysis has been completed subject  
17 to subsection (g) of this section, a final loss mitigation affidavit in the form prescribed by  
18 regulation adopted by the Commissioner of Financial Regulation; and

19 2. If the loss mitigation analysis has not been completed, a  
20 preliminary loss mitigation affidavit in the form prescribed by regulation adopted by the  
21 Commissioner of Financial Regulation; AND

22 **(3) BE COMMENCED NOT LATER THAN 10 YEARS AFTER ~~THE DATE OF~~**  
23 **~~DEFAULT CLAIMED IN THE ORDER TO DOCKET OR COMPLAINT TO FORECLOSE THE~~**  
24 **DATE OF THE LAST PAYMENT.**

25 **(E-1) IF A FORECLOSURE IS COMMENCED BY A SECURED PARTY THAT**  
26 **ACQUIRED DEBT THAT WAS IN DEFAULT FOR 5 OR MORE YEARS BEFORE THE**  
27 **ACQUISITION, THE SECURED PARTY SHALL PRESENT THE DOCUMENTS REQUIRED**  
28 **UNDER § 5-1203(B) OF THE COURTS ARTICLE WITH THE ORDER TO DOCKET OR**  
29 **COMPLAINT TO FORECLOSE.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
31 1, 2026.