

HOUSE BILL 523

N1
HB 769/25 – ENT

6lr1056
CF SB 353

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

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2026

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)

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 (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.