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February 17, 2026

Delegate Kriselda Valderrama – Chair  
Delegate Lorig Charkoudian- Vice Chair  
231 Taylor House Office Building  
6 Bladen Street  
Annapolis, Maryland 21401

Re: House Bill 523  
Real Property – Residential Foreclosures – Commencement Restrictions  
Hearing Date: Thursday, February 19, 2026  
Position: Support with Proposed Amendment

Dear Chair Valderrama, Vice Chair Charkoudian, and Members of the Economic Matters Committee:

This letter is submitted on behalf of the Maryland Legislative Action Committee (“MD-LAC”) of the Community Associations Institute (“CAI”). CAI represents individuals and professionals who reside in or work with community associations (condominiums, homeowners’ associations, and cooperatives) throughout the State of Maryland.

MD-LAC has reviewed HB 523 and supports the proposed legislation with the following proffered amendments that are designed to align HB 523 with the current law of Maryland regarding foreclosures.

HB 523 (cross-filed with SB 353) establishes a 10-year statute of limitations before the expiration of which a mortgagee is required to commence a foreclosure action against its mortgagor in default. While Maryland LAC supports the establishment of a deadline for the commencement of a foreclosure action, we respectfully call to the attention of the Committee the

conflict between the proposed 10-year limitations period sought to be imposed by HB 523 and the existing 12-year period dictated by the provisions of §§ 14-204(a) and (c) of the Real Property Article of the Annotated Code of Maryland (“Real Property Article”), which govern the commencement of an action to foreclose upon a statutory contract lien.

In pertinent part, § 14-204(a) requires a statutory lien to be foreclosed upon “in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trust on property in this State containing a power of sale or an assent to a decree”, i.e., § 7-105.1 of the Real Property Article (emphasis added). Section 14-204(c) further mandates “[a]ny action to foreclose a lien (established pursuant to the Maryland Contract Lien Act) shall be brought within 12 years following recordation of the statement of lien....” (emphasis added). Insofar as Maryland’s foreclosure laws require a statutory lien to be foreclosed upon “in the same manner and, subject to the same requirements” as set forth in § 7-105.1, in order to make the provisions of HB 523 and existing law consistent with one another, the limitations period proposed in HB 523 must be increased from 10 years to 12 years.

Furthermore, HB 523’s defined date of default upon which the proposed 10-year foreclosure limitations period is to commence, is the date upon which a mortgagor first defaults under the term of a mortgage. (emphasis added). Such contemplated trigger date, however, is at odds with the trigger date of the 12-year limitations period in § 14-204(c), which is the date upon which the statutory lien was recorded in the land records against the real property of the defaulting owner.<sup>1</sup> (emphasis added). MD-LAC respectfully submits if the apparent conflict between HB 523 and § 14-204(c) is not addressed through the following proposed amendment, the determination of which trigger date controls as it pertains the foreclosure of a statutory lien will mandate the involvement of a court of equity, thereby causing the lienholder to incur attorneys’ fees and costs before the foreclosure is even begun. The potential for additional attorneys’ fees and costs will also disproportionately burden a community association (and all of its owners), as the lienholder, which has already sustained monetary losses due to the property owner’s failure or refusal to pay the assessments and related charges secured by the statutory lien.

To address the aforementioned conflicts, MD-LAC respectfully submits HB 523 must be amended to reflect a 12-year limitations period, which is appropriate to maintain consistency with the 12-year limitations period in § 14-204(c) (statutory lien foreclosure) and § 5-102 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland (civil action on a promissory

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<sup>1</sup> Section 14-203 of the Real property Article sets forth a two-step process which includes a mandatory minimum 30-day post service waiting period which a community association must adhere to before filing a statutory lien in the land records. The statutory requirements of the Maryland Contract Lien Act make it impossible to correlate the default trigger date of HB 523 with that of § 14-204 (c).

**Page 3, House Bill 523**  
**Community Associations Institute**

note or other instrument under seal ).<sup>2</sup> Maryland-LAC further submits that the addition of the following preamble to subsection (e)(3) of HB 523 will resolve the current conflict between the default trigger dates of HB 523 and § 14-204(c):

**EXCEPT AS SET FORTH IN SECTION 14-204(C) OF THIS TITLE, BE COMMENCED NOT LATER THAN 12 YEARS AFTER THE DATE OF DEFAULT CLAIMED IN THE ORDER TO DOCKET OR COMPLAINT TO FORECLOSE**

MD-LAC requests a **favorable** report by this Committee with the proffered amendments herein and thanks you in advance for your time and attention to this important legislation.

We are available to answer any questions the Committee Members may have. Please feel free to contact Lisa Harris Jones, lobbyist for the MD-LAC, at (410) 366-1500, or by e-mail at [lisa.jones@mdlobbyist.com](mailto:lisa.jones@mdlobbyist.com), (E): [lisa.jones@mdlobbyist.com](mailto:lisa.jones@mdlobbyist.com); Igor Conev, Chair of the MD-LAC, at (443) 614-2787, or by e-mail at [igor@ocmannproperties.com](mailto:igor@ocmannproperties.com) or John M. Oliveri, Esquire, Member of the MD-LAC at (410) 295-3000, or by email at [joliveri@oandl-law.com](mailto:joliveri@oandl-law.com).

Sincerely,

*John M. Oliveri*

John M. Oliveri, Esquire  
Member, CAI MD-LAC

*Igor Conev*

Igor Conev, CMCA, AMS, PCAM, CIRMS  
Chair, CAI MD-LAC

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<sup>2</sup> It is common practice for a mortgagee to mandate that a mortgagor execute a promissory note as part of extending a residential loan to the mortgagor. The inclusion of a 12-year limitations period in HB 523 will align its provisions with those of § 5-102.