

# HOUSE BILL 1377

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By: **Delegates Parrott, Krebs, McKay, Metzgar, and Morgan**

Introduced and read first time: February 12, 2016

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Vacant and Abandoned Property – Expedited Foreclosure**

3 FOR the purpose of authorizing a secured party to petition the circuit court for leave to  
4 immediately commence an action to foreclose the mortgage or deed of trust on certain  
5 vacant and abandoned property; authorizing a county, municipal corporation,  
6 homeowners association, or condominium to notify a certain secured party of certain  
7 vacant and abandoned property located in the county, municipal corporation,  
8 homeowners association, or condominium in a certain manner; specifying the  
9 contents of a certain notice; requiring a secured party to petition the circuit court for  
10 leave to immediately commence an action to foreclose the mortgage or deed of trust  
11 on certain vacant and abandoned property and to assume certain maintenance  
12 responsibilities with respect to certain vacant and abandoned property no later than  
13 a certain number of days after receiving a certain notice; requiring a certain order or  
14 complaint to be filed and to be served on a mortgagor or grantor no later than a  
15 certain number of days after the circuit court grants a certain petition; requiring a  
16 secured party to schedule a foreclosure sale no later than a certain number of days  
17 after a certain service of process; authorizing a secured party to peaceably enter, or  
18 cause others to peaceably enter, a certain vacant and abandoned property for a  
19 certain purpose; authorizing certain persons to seek certain injunctive or other  
20 equitable relief under certain circumstances; authorizing the Commissioner of  
21 Financial Regulation to adopt regulations necessary to carry out this Act; defining  
22 certain terms; and generally relating to expedited foreclosure proceedings for vacant  
23 and abandoned property.

24 BY repealing and reenacting, with amendments,  
25 Article – Real Property  
26 Section 7–105.1(b)  
27 Annotated Code of Maryland  
28 (2015 Replacement Volume)

29 BY adding to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Real Property  
2 Section 7–105.14  
3 Annotated Code of Maryland  
4 (2015 Replacement Volume)

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

7 **Article – Real Property**

8 7–105.1.

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

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

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

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

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

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

22 3. The property subject to the mortgage or deed of trust has  
23 been destroyed; [or]

24 4. The default occurred after the stay has been lifted in a  
25 bankruptcy proceeding; **OR**

26 **5. THE PROPERTY SUBJECT TO THE MORTGAGE OR**  
27 **DEED OF TRUST IS A VACANT AND ABANDONED PROPERTY, AS DEFINED IN §**  
28 **7–105.14 OF THIS SUBTITLE.**

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

30 (iii) If the petition is granted, the action may be filed at any time after  
31 a default in a condition on which the mortgage or deed of trust provides that a sale may be

1 made and the secured party need not send the written notice of intent to foreclose required  
2 under subsection (c) of this section.

3 **7-105.14.**

4 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
5 INDICATED.

6 (2) "RESIDENTIAL PROPERTY" HAS THE MEANING STATED IN §  
7 7-105.1 OF THIS SUBTITLE.

8 (3) (I) "VACANT AND ABANDONED PROPERTY" MEANS  
9 RESIDENTIAL PROPERTY SUBJECT TO A MORTGAGE OR DEED OF TRUST IF:

10 1. THE MORTGAGE OR DEED OF TRUST ON THE  
11 PROPERTY HAS BEEN IN DEFAULT FOR 90 DAYS OR MORE; AND

12 2. THE PROPERTY HAS BEEN UNOCCUPIED FOR 120  
13 DAYS OR MORE.

14 (II) "VACANT AND ABANDONED PROPERTY" DOES NOT INCLUDE  
15 PROPERTY THAT:

16 1. IS UNDERGOING CONSTRUCTION, RENOVATION, OR  
17 REHABILITATION;

18 2. IS OCCUPIED ON A SEASONAL BASIS;

19 3. IS THE SUBJECT OF A PROBATE ACTION, AN ACTION  
20 TO QUIET TITLE, OR ANY OTHER OWNERSHIP DISPUTE;

21 4. HAS BEEN DAMAGED BY A NATURAL DISASTER IF THE  
22 MORTGAGOR OR GRANTOR INTENDS TO REPAIR AND REOCCUPY THE PROPERTY; OR

23 5. IS OCCUPIED BY A RELATIVE OF THE MORTGAGOR OR  
24 GRANTOR OR BY A BONA FIDE TENANT.

25 (B) (1) A COUNTY, MUNICIPAL CORPORATION, HOMEOWNERS  
26 ASSOCIATION, OR CONDOMINIUM MAY NOTIFY, IN ACCORDANCE WITH PARAGRAPH  
27 (2) OF THIS SUBSECTION, A SECURED PARTY OF ANY VACANT AND ABANDONED  
28 PROPERTY LOCATED IN THE COUNTY, MUNICIPAL CORPORATION, HOMEOWNERS  
29 ASSOCIATION, OR CONDOMINIUM.

30 (2) THE NOTICE SHALL BE:

1 (I) IN WRITING;

2 (II) SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED;  
3 AND

4 (III) INCLUDE:

5 1. THE STREET ADDRESS OF THE PROPERTY;

6 2. THE NAME OF THE MORTGAGOR OR GRANTOR, IF  
7 KNOWN;

8 3. A STATEMENT CERTIFYING THAT, TO THE BEST OF  
9 THE SENDER'S KNOWLEDGE, THE PROPERTY IS A VACANT AND ABANDONED  
10 PROPERTY AS DEFINED BY STATE LAW; AND

11 4. A DESCRIPTION OF ANY EVIDENCE OF ABANDONMENT  
12 AT THE PROPERTY, INCLUDING:

13 A. OVERGROWN OR DEAD VEGETATION;

14 B. ACCUMULATED NEWSPAPERS, FLYERS, OR MAIL;

15 C. PAST DUE UTILITIES NOTICES, DISCONNECTED  
16 UTILITIES, OR UTILITIES NOT IN USE;

17 D. ACCUMULATED TRASH OR DEBRIS;

18 E. THE ABSENCE OF WINDOW COVERINGS SUCH AS  
19 CURTAINS, BLINDS, OR SHUTTERS; OR

20 F. BUILDINGS OR STRUCTURES THAT ARE UNSECURED  
21 OR THAT APPEAR STRUCTURALLY UNSOUND.

22 (C) NO LATER THAN 30 DAYS AFTER RECEIVING WRITTEN NOTICE OF A  
23 VACANT AND ABANDONED PROPERTY UNDER SUBSECTION (B) OF THIS SECTION,  
24 THE SECURED PARTY SHALL:

25 (1) PETITION THE CIRCUIT COURT FOR LEAVE TO IMMEDIATELY  
26 COMMENCE AN ACTION TO FORECLOSE THE MORTGAGE OR DEED OF TRUST ON THE  
27 VACANT AND ABANDONED PROPERTY; AND

1           **(2) ASSUME THE RESPONSIBILITY FOR MAINTAINING THE VACANT**  
2 **AND ABANDONED PROPERTY CONSISTENT WITH APPLICABLE BUILDING CODES AND**  
3 **ORDINANCES OF THE COUNTY OR MUNICIPAL CORPORATION WHERE THE PROPERTY**  
4 **IS LOCATED UNTIL A DEED TRANSFERRING TITLE TO THE PROPERTY HAS BEEN**  
5 **RECORDED.**

6           **(D) NO LATER THAN 30 DAYS AFTER THE CIRCUIT COURT GRANTS A**  
7 **PETITION UNDER SUBSECTION (C)(1) OF THIS SECTION:**

8           **(1) THE SECURED PARTY SHALL FILE AN ORDER TO DOCKET OR A**  
9 **COMPLAINT TO FORECLOSE IN ACCORDANCE WITH § 7-105.1 OF THIS SUBTITLE;**  
10 **AND**

11           **(2) A COPY OF THE ORDER TO DOCKET OR COMPLAINT TO FORECLOSE**  
12 **SHALL BY SERVED ON THE MORTGAGOR OR GRANTOR IN ACCORDANCE WITH §**  
13 **7-105.1 OF THIS SUBTITLE.**

14           **(E) THE SECURED PARTY SHALL SCHEDULE A FORECLOSURE SALE ON THE**  
15 **VACANT AND ABANDONED PROPERTY NO LATER THAN 60 DAYS AFTER SERVICE IS**  
16 **MADE UNDER SUBSECTION (D)(2) OF THIS SECTION.**

17           **(F) A SECURED PARTY MAY PEACEABLY ENTER OR CAUSE ANOTHER TO**  
18 **PEACEABLY ENTER A VACANT AND ABANDONED PROPERTY FOR THE PURPOSE OF**  
19 **CARRYING OUT MAINTENANCE REQUIRED BY THIS SECTION.**

20           **(G) IN ADDITION TO ANY OTHER REMEDY PROVIDED BY LAW, A COUNTY,**  
21 **MUNICIPAL CORPORATION, HOMEOWNERS ASSOCIATION, OR CONDOMINIUM IN**  
22 **WHICH A VACANT AND ABANDONED PROPERTY IS LOCATED MAY SEEK INJUNCTIVE**  
23 **OR OTHER EQUITABLE RELIEF TO REQUIRE A SECURED PARTY TO COMPLY WITH THE**  
24 **REQUIREMENTS OF THIS SECTION.**

25           **(H) THE COMMISSIONER OF FINANCIAL REGULATION MAY ADOPT**  
26 **REGULATIONS NECESSARY TO CARRY OUT THE REQUIREMENTS OF THIS SECTION.**

27           **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
28 **October 1, 2016.**