

SB0218/598174/1

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL 218
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Stone” and substitute “Stone, Frosh, Brochin, Forehand, Haines, Jacobs, Mooney, and Simonaire”.

AMENDMENT NO. 2

On page 6, in line 13, strike “**30**” and substitute “**60**”.

AMENDMENT NO. 3

On page 6, after line 19, insert:

“(L) “SETTLEMENT” MEANS AN IN-PERSON, FACE-TO-FACE MEETING WITH THE HOMEOWNER TO COMPLETE FINAL DOCUMENTS INCIDENT TO THE SALE OR TRANSFER OF REAL PROPERTY OR THE CREATION OF A MORTGAGE OR EQUITABLE INTEREST IN REAL PROPERTY, CONDUCTED BY A SETTLEMENT AGENT, DURING WHICH THE HOMEOWNER MUST BE PRESENTED WITH A COMPLETED COPY OF THE HUD-1 SETTLEMENT FORM.”;

in lines 25 and 29, in each instance, strike the bracket; in line 25, strike “is owed an obligation” and substitute “**SERVICES A MORTGAGE LOAN**”; in lines 25 and 26, strike “lien on any”; in line 26, strike “foreclosure” and substitute “**DEFAULT**”; strike beginning with “services” in line 26 down through the second “lien” in line 27 and substitute “**SERVICING, COLLECTION, AND LOSS MITIGATION ACTIVITIES IN REGARD TO THAT MORTGAGE LOAN, PROVIDED THE MORTGAGE LOAN**”; and in line 28, strike “reconveyance” and substitute “**CONSULTING CONTRACT**”.

(Over)

On page 7, in line 1, strike the brackets; in the same line, strike “(3)”; in line 7, after “license;” insert a bracket; in line 8, strike “(7)” and substitute “(5)”; in the same line, strike “mortgage broker or”; in line 9, strike “acting” and substitute “:

(I) ACTING”;

in line 10, strike “license;” and substitute “**LICENSE IN REGARD TO A RESIDENCE IN DEFAULT; AND**

(II) ARRANGING FOR A REFINANCING OF A MORTGAGE LOAN FOR THE RESIDENCE IN DEFAULT;”;

in line 11, strike “(8)” and substitute “(6)”; strike beginning with the comma in line 13 down through “or” in line 16 and substitute “**ONLY:**

(I) WHILE THE PERSON:

1. ENGAGES IN ANY ACTIVITY FOR WHICH THE PERSON IS LICENSED UNDER TITLE 17 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; AND

2. DOES NOT VIOLATE ANY PROVISION OF § 7-307 OF THIS SUBTITLE OR TITLE 17 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE; AND

(II) IF THE RESIDENCE IN DEFAULT FOR WHICH THE PERSON IS CONDUCTING A LICENSED ACTIVITY:

1. IS LISTED IN THE LOCAL MULTIPLE LISTING SERVICE; AND

2. IS SOLD OR TRANSFERRED THROUGH A SETTLEMENT, INCLUDING THE CONVEYANCE OR TRANSFER OF DEED, TITLE, OR ESTABLISHMENT OF EQUITABLE INTEREST; OR;

in line 17, strike “(4)” and substitute “(7)”; and in lines 19 and 20, strike “or foreclosure purchasers”.

AMENDMENT NO. 4

On page 1, in line 11, strike “cancel” and substitute “rescind”.

On page 7, in line 29, in each instance, strike the bracket.

On page 7 in line 31, on page 9 in lines 21 and 23, on page 10 in line 19, on page 13 in lines 16 and 20, and on page 21 in line 3, in each instance, strike “CANCEL” and substitute “RESCIND”.

On page 8 in line 1, on page 10 in lines 10 and 20, on page 11 in line 7, on page 22 in lines 12, 17, 18, and 28, and on page 23 in lines 3, 17, 18, 22, 30, and 35, in each instance, strike “[Rescission] CANCELLATION” and substitute “Rescission”.

On page 8 in lines 2, 6, 8, 12, and 14, on page 9 in lines 33 and 34, on page 10 in line 24, on page 15 in line 9, on page 16 in line 1, on page 22 in line 13, and on page 23 in lines 19 and 20, in each instance, strike “[rescission] CANCELLATION” and substitute “rescission”.

On page 8 in lines 10 and 18, on page 10 in line 21, on page 11 in lines 2 and 8, on page 15 in lines 5 and 33, on page 16 in lines 12 and 20, on page 22 in lines 7, 9, 25, and 31, and on page 23 in lines 15, 32, and 33, in each instance, strike “[rescind] CANCEL” and substitute “rescind”.

On page 9, in line 24, strike “**CANCELLATION**” and substitute “**RESCISSION**”; in line 25, strike “**CANCELLATION**” and substitute “**RESCISSION**”; and in line 29, strike “[rescind the transfer] **CANCEL**” and substitute “**rescind**”.

On page 10, in line 6, strike “cancellation” and substitute “**RESCISSION**”.

On page 10 in lines 9, 15, and 30, on page 16 in line 8, and on page 22 in line 23, in each instance, strike “[**RESCISSION**] **CANCELLATION**” and substitute “**RESCISSION**”.

On page 10 in line 17, and on page 15 in line 29, in each instance, strike “cancel [or rescind]” and substitute “**rescind**”.

On page 15, in line 7, strike “**CANCEL**” and substitute “**RESCIND**”; in lines 18, 20, and 26, in each instance, strike “**CANCEL**” and substitute “**RESCIND**”.

On page 16, in line 17, strike “Cancel” and substitute “**RESCIND**”.

On page 19, in line 11, strike “[rescind or] cancel” and substitute “**rescind**”.

On page 22, in line 27, strike “cancel” and substitute “**RESCIND**”.

On page 23, in line 14, in each instance, strike the bracket; and in the same line, strike “**TO CANCEL**”.

AMENDMENT NO. 5

On page 13, in line 16, before “**IN**” insert “**(A)**”; strike beginning with “**IF**” in line 17 down through the comma in line 19; in line 19, strike the second “**THE**” and substitute “**A**”; in line 20, strike the second “**THE**” and substitute “**A**”; in line 21, after “**TRANSFER**” insert “**OF THE RESIDENCE IN DEFAULT**”; and after line 21, insert:

“(B) ANY PROVISION IN A CONTRACT OR OTHER AGREEMENT CONCERNING A SALE OR TRANSFER OF A RESIDENCE IN DEFAULT THAT ATTEMPTS OR PURPORTS TO WAIVE THE HOMEOWNER’S RIGHTS UNDER THIS TITLE, CONSENT TO JURISDICTION FOR LITIGATION OR CHOICE OF LAW IN A STATE OTHER THAN MARYLAND, CONSENT TO VENUE IN A COUNTY OTHER THAN THE COUNTY IN WHICH THE PROPERTY IS LOCATED, OR IMPOSE ANY COSTS OR FILING FEES GREATER THAN THE FEES REQUIRED TO FILE AN ACTION IN A CIRCUIT COURT, IS VOID.

(C) EXCEPT WHEN A PRIMARY MORTGAGE LENDER TAKES A DEED IN LIEU OF FORECLOSURE, A SALE OR TRANSFER OF A RESIDENCE IN DEFAULT MAY NOT BE EXECUTED USING A QUITCLAIM DEED.

(D) A NOTICE OF RESCISSION UNDER THIS SECTION:

(1) SHALL BE IN WRITING BUT NEED NOT TAKE ANY PARTICULAR FORM SPECIFIED IN THIS SUBTITLE OR ANY FORM CONTAINED IN ANY AGREEMENT WITH THE PURCHASER OR TRANSFEREE; AND

(2) IS EFFECTIVE, HOWEVER EXPRESSED, IF IT INDICATES THE INTENTION OF THE HOMEOWNER TO RESCIND THE CONTRACT.

(E) THE RIGHT TO RESCIND MAY NOT BE CONDITIONED ON THE REPAYMENT OF ANY FUNDS, PROVIDED HOWEVER THAT ANY DEBT EXISTING PRIOR TO A RESCISSION SHALL CONTINUE TO EXIST.

(F) WITHIN 10 DAYS AFTER RECEIPT OF A NOTICE OF RESCISSION, THE PURCHASER OR TRANSFEREE SHALL RETURN, WITHOUT CONDITION, ANY ORIGINAL DEED, TITLE, CONTRACT, AND ANY OTHER DOCUMENT SIGNED BY THE HOMEOWNER.

(Over)

(G) DURING THE 5-DAY RESCISSION PERIOD, A DEED OR OTHER DOCUMENT AFFECTING TITLE TO THE HOMEOWNER'S RESIDENCE IN DEFAULT MAY NOT BE RECORDED.

On pages 16 and 17, strike in their entirety the lines beginning with line 23 on page 16 through line 15 on page 17, inclusive.

AMENDMENT NO. 6

On page 18, in lines 10, 13, 14, and 15, in each instance, strike the bracket; and in lines 10 and 11, strike “**COMPLETE A SALE OR TRANSFER OF THE RESIDENCE IN DEFAULT UNTIL THE**”.

On page 19, in line 4, strike “**(3)**” and substitute “**(2)**”; and in line 11, strike “**(4)**” and substitute “**(3)**”.

AMENDMENT NO. 7

On page 1, at the top of the page, insert “**EMERGENCY BILL**”; and in line 21, after “changes;” insert “**making this Act an emergency measure;**”.

On page 26, strike in their entirety lines 3 and 4 and substitute:

“SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.”