



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 612

H.P. 431

House of Representatives, February 21, 2013

**An Act To Protect Owners of Property in Foreclosure from
Accumulation of Debts When Mortgagees Refuse To Complete the
Foreclosure Process**

(EMERGENCY)

Reference to the Committee on Judiciary suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CASAVANT of Biddeford.
Cosponsored by Representatives: BEAVERS of South Berwick, DeCHANT of Bath,
HOBBINS of Saco, RUSSELL of Portland, WEAVER of York, Senator: VALENTINO of
York.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** in certain circumstances, lenders are not fully completing the foreclosure
4 process following foreclosure judgment after homeowners have vacated the premises; and

5 **Whereas,** property taxes and other debts remain the legal responsibility of the
6 homeowner following foreclosure if title to the property is not transferred to the lender or
7 to another party following a foreclosure sale; and

8 **Whereas,** lenders are not required to notify the homeowner that the foreclosure
9 process has not been completed on the property; and

10 **Whereas,** this legislation seeks to protect homeowners by requiring them to provide
11 notice that they have vacated the premises, along with their contact information, to the
12 attorney representing the lender in the foreclosure and to the municipal tax assessor in the
13 municipality in which the mortgaged property is located; and

14 **Whereas,** this legislation also requires lenders to notify the owner of the vacated
15 premises if the foreclosure process has not been completed within 6 months following the
16 foreclosure judgment; and

17 **Whereas,** this legislation must be enacted immediately so that homeowners are
18 protected from accumulating further debt; and

19 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
20 the meaning of the Constitution of Maine and require the following legislation as
21 immediately necessary for the preservation of the public peace, health and safety; now,
22 therefore,

23 **Be it enacted by the People of the State of Maine as follows:**

24 **Sec. 1. 14 MRSA §6326** is enacted to read:

25 **§6326. Notice of vacated premises after foreclosure judgment**

26 **1. Notice by mortgagor.** Within 30 days of vacating the premises of residential
27 property subject to foreclosure following notice of a foreclosure judgment, the mortgagor
28 shall provide written notice that the mortgagor has vacated the mortgaged premises to the
29 attorney of record representing the mortgagee in the foreclosure and to the municipal tax
30 assessor of the municipality in which the mortgaged premises are located. Notice may be
31 provided by first class mail or registered mail.

32 **2. Notice by mortgagee.** Using the contact information provided in the notice
33 required by subsection 1, if, within 6 months following a foreclosure judgment, a
34 mortgagee does not assume title to property following foreclosure pursuant to this Title or
35 does not sell the property pursuant to section 6323, the mortgagee shall provide
36 immediate written notice of the failure to complete the foreclosure to the mortgagor and

1 to the municipal tax assessor of the municipality in which the mortgaged premises are
2 located. Notice may be provided by first class mail or registered mail.

3 **Emergency clause.** In view of the emergency cited in the preamble, this
4 legislation takes effect when approved.

5 **SUMMARY**

6 This bill requires owners of foreclosed property who vacate their homes after
7 receiving notice of a foreclosure judgment to notify the attorney representing the
8 mortgagee in the foreclosure and the municipal tax assessor of the municipality where the
9 mortgaged premises are located that they have vacated the property within 30 days of
10 vacating the mortgaged premises and to also provide their contact information. If, within
11 6 months following a foreclosure judgment, the mortgagee has not completed the
12 foreclosure process, the bill requires the mortgagee to notify the mortgagor using the
13 contact information provided and to notify the municipal tax assessor.