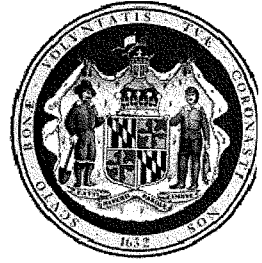


COMMISSIONER OF FINANCIAL REGULATION
ADVISORY NOTICE



May 5, 2010

MARYLAND FORECLOSURE MEDIATION

*Interim Guidance on Implementation of House Bill 472
Compliance Relating to
Notice of Intent to Foreclose*

On July 1, 2010 (the “Effective Date”) Maryland’s new foreclosure mediation law will go into effect. Beginning on the Effective Date, each secured party must meet new requirements regarding the foreclosure process for residential properties located in Maryland.

This advisory provides interim guidance on the implementation of HB 472 as it relates to a notice of intent to foreclose (NOI) sent prior to the Effective Date.

A NOI sent by a secured party to a mortgagor or grantor and record owner of a residential property prior to the Effective Date, which is compliant with current law,¹ may be filed with an order to docket or complaint to foreclose on or after the Effective Date. HB 472 is explicitly prospective in its application. Section 8 of the bill provides that it “shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any order to docket or complaint to foreclose on residential property filed before the effective date of this Act.” *Given the prospective nature of HB 472, a NOI that is compliant with the law at the time it was sent is legally sufficient for purposes of being attached to an order to docket or complaint to foreclose on or after the Effective Date.*

As of the Effective Date, each NOI sent to a mortgagor or grantor and record owner of residential property must comply with HB 472 and be accompanied by all items required by the new law. Pursuant to HB 472, the new form of NOI will include: a statement recommending housing counseling; information on governmental foreclosure assistance; and an explanation of the Maryland foreclosure process and time line. The new form of NOI must be accompanied by: a loss mitigation application; instructions for completing the loss mitigation application and a telephone number to call to confirm receipt of the application; a description of the eligibility requirements for the loss mitigation programs offered by the secured party that may be applicable to the loan secured by the mortgage or deed of trust that is the subject of the foreclosure action; and

¹ All references to “current law” in this guidance refer to the foreclosure law in effect prior the Effective Date.

an envelope preprinted with the address of the person responsible for conducting loss mitigation analysis on behalf of the secured party for the loan secured by the mortgage or deed of trust that is the subject of the action.

The new form of NOI and all items required to be prescribed by the Commissioner of Financial Regulation (the "Commissioner") will be promulgated as emergency regulations with an effective date of July 1, 2010, as described below.

As of the Effective Date, an order to docket or foreclosure complaint must comply with HB 472. Accordingly, an order to docket or foreclosure complaint must be accompanied by all items required under the new law, including but not limited to, a filing fee in the amount of \$300 (this fee is in addition to any other filing fees required by law), a preliminary loss mitigation affidavit with required attachments or final loss mitigation affidavit, and a notice relating to the foreclosure filing.

Regulations

HB 472 requires the Commissioner to prescribe certain forms, notices and information, and to promulgate certain regulations, to implement the new law. The Commissioner is in the process of preparing and will adopt emergency regulations fully implementing HB 472 with an effective date of July 1, 2010. Understanding the need for secured parties and their agents to adjust their operational systems, the Commissioner shall make the text of these regulations available as early as possible prior to the Effective Date.