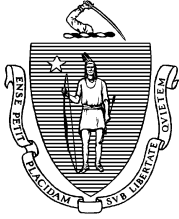


SENATE, No. 2663

[SIMILAR MATTER FILED DURING PAST SESSION
SEE NO. OF]



The Commonwealth of Massachusetts

IN THE YEAR OF TWO THOUSAND AND EIGHT

AN ACT RELATIVE TO A TEMPORARY MORATORIUM ON FORECLOSURES

Whereas, The deferred operation of this act would tend to defeat its purpose, which is forthwith to protect citizens of the Commonwealth involved in the mortgage foreclosure crisis, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

1 SECTION 1. Notwithstanding the provisions of any general or special law to the
2 contrary, no foreclosure sale pursuant to a power of sale in any mortgage deed of real
3 estate located in the commonwealth, having a dwelling house with accommodations for
4 four or less separate households and occupied in whole or in part by an obligor on the
5 mortgage debt, shall be conducted in the commonwealth for a period of one hundred and

6 eighty days after the effective date of this section, on any mortgage note from a sub-
7 prime lender which is presumptively unfair by virtue of having any of the following: (a)
8 an adjustable rate loan with an introductory period of three years or less (b) a debt-to
9 income ratio in excess of 50% under the fully indexed rate (c) the loan was approved on a
10 "stated income" basis with no regard to a borrowers ability to repay (d) the loan-to-value
11 ratio is 100% or the loan carries substantial pre-payment penalties or pre-payment
12 penalties that extend beyond the introductory period (e) interest only loans (f) high
13 points, fees or interest in violation of the Predatory Home Loan Practices Act, G.L. c.
14 183C §2

15 SECTION 2. No interest or fees shall accrue during the 180 day moratorium period. No
16 eviction proceedings shall be initiated against tenants in any foreclosed property during
17 the 180 day moratorium period, except if the property is sold to a bona fide purchaser or
18 for a cause originating prior to the foreclosure.

19 SECTION 3. No register of deeds or assistant recorder of the land court shall accept for
20 recording or filing for registration any foreclosure deed pursuant to a foreclosure sale
21 conducted under a power of sale, during said one hundred and eighty day period. For the
22 purposes of this section, the term "foreclosure sale" refers to the conclusion of a sale at
23 public auction pursuant to the provisions of chapter two hundred and forty-four of the
24 General Laws.

25 SECTION 4. During the one hundred and eighty day moratorium period, a commission
26 shall be established to develop and draft, with community input, legislation to be put
27 before the legislature, mandating judicial review of all mortgage foreclosures in
28 Massachusetts. The commission shall include one representative or designee each from

29 the Office of the Governor, the Office of the Attorney General, the Office of the
30 Secretary of State, the Office of the State Treasurer, the President of the State Senate and
31 the Speaker of the House of Representatives.

32 SECTION 5. During the one hundred and eighty day moratorium period, mortgage
33 holders are encouraged to work with borrowers who have any of the loan terms described
34 above, to modify the terms of their mortgages, including, if necessary, reducing the
35 principal, lowering the interest rate, eliminating pre-payment penalties, and other fees and
36 costs so that qualified homeowners can obtain affordable mortgages that will allow them
37 to stay in their homes.

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