

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Preserve Home Ownership and Stabilize the Economy by Preventing Unnecessary Foreclosures

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

Whereas, the State's rate of mortgages in foreclosure is rising to unprecedented levels, both for prime and subprime mortgages; and

Whereas, foreclosures are expected to continue in the State because homeowners will not be able to afford payments due to rising adjustable mortgage payments, rising unemployment and job loss; and

Whereas, homeowners are expected to have continued problems selling their properties at the value of their mortgages due to falling housing prices; and

Whereas, foreclosures contribute to the decline in the State's housing market, loss of property values and loss of tax revenues; and

Whereas, the number of foreclosure actions in the courts is rapidly increasing and the current system for resolving foreclosure actions is creating a burden on the court system; and

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

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

Sec. 1. 4 MRSA §18-B, sub-§12 is enacted to read:

12. Mediation involving mortgage foreclosures on owner-occupied residential property. The mandatory foreclosure mediation program is a program within the Court Alternative Dispute Resolution Service.

A. The Director of the Court Alternative Dispute Resolution Service shall administer the mandatory foreclosure mediation program established pursuant to Title 14, section 6321-A, subsection 2.

B. A mandatory foreclosure mediation program fund is established as a nonlapsing, dedicated fund within the Administrative Office of the Courts. Fees collected for mediation services pursuant to Title 14, section 6321-A, subsection 3 must be deposited in the fund. The Administrative Office of the Courts shall use the resources in the fund to cover the costs of providing mediation services as required under Title 14, section 6321-A, subsection 2.

Sec. 2. 9-A MRSA §9-404, as enacted by PL 1987, c. 396, §12, is amended to read:

§ 9-404. Stay, modification, revocation or relief from judgment

At any time after the entry of a judgment in favor of a creditor against a consumer in an action arising from a consumer credit transaction, the court, for cause and upon motion of a party or on its own motion, while such court retains jurisdiction, may modify, revoke or stay enforcement of the judgment by order upon just and equitable conditions and continue, modify or revoke the order as the interests of justice may require. This provision may not be limited by the timelines for seeking relief from judgment pursuant to the Maine Rules of Civil Procedure.

Sec. 3. 9-A MRSA §9-405, sub-§5, as enacted by PL 1987, c. 396, §12, is repealed.

Sec. 4. 9-A MRSA §9-408 is enacted to read:

§ 9-408. Violation of the Maine Unfair Trade Practices Act

Any violation of this article or any other provision of the Maine Consumer Credit Code constitutes a violation of the Maine Unfair Trade Practices Act.

Sec. 5. 14 MRSA §2401, sub-§3, as amended by PL 1993, c. 114, §2 and affected by §4, is further amended to read:

3. Judgment required; recording and contents. The judgment in the proceeding must be signed by the judge and contain the following provisions:

- A. The names and addresses, if known, of all parties to the action, including the counsel of record;
- B. The docket number;
- C. A finding that all parties have received notice of the proceedings in accordance with the applicable provisions of the Maine Rules of Civil Procedure and, if the notice was served or given pursuant to an order of a court, including service by publication, that the notice was served or given pursuant to the order;
- D. An adequate description of real estate involved; ~~and~~
- F. A certification to be signed by the clerk after the appeal period has expired, certifying that the applicable period has expired without action or the final judgment has been entered after remand following appeal; and
- G. With regard to mortgage foreclosure actions, the title "judgment of foreclosure and sale," the street address of the real estate involved and the book and page number of the mortgage.

Unless a proposed judgment with the provisions required in this subsection is presented to the court at the time of the court's decision, the court shall name the party responsible for preparing a judgment with the required provisions. An attested copy of the judgment with the signed clerk's certification must be recorded in the registry of deeds for the county or counties where the subject property is located within one year of the entry of the final judgment unless otherwise ordered by the court. For the purposes of this section, a judgment is not final until all applicable appeal periods have expired and any appellate proceedings and subsequent actions on remand, if any, have been concluded. The court shall name the party responsible for recording the attested copy of the judgment and for paying the appropriate recording

fees. The judgment has no effect as to any person not a party to the proceeding who has no actual knowledge of the judgment unless an attested copy of the judgment is recorded in accordance with this section. A register of deeds may not accept a judgment of foreclosure and sale for recording unless it is in compliance with the requirements of this section. Failure to comply with this section does not affect the validity of the underlying judgment.

Sec. 6. 14 MRSA §6001, sub-§2-A is enacted to read:

2-A. Foreclosure does not terminate a tenancy. A party that acquires property pursuant to foreclosure of a mortgage, whether as a result of a judicial or nonjudicial process, may only terminate a tenancy with the mortgagor as set forth in the lease or rental agreement with the mortgagor or a tenancy at will as set forth in section 6002. Foreclosure does not terminate the tenancy agreement of a tenant with the mortgagor.

Sec. 7. 14 MRSA §6021, sub-§1, as enacted by PL 1977, c. 401, §4, is repealed and the following enacted in its place:

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Dwelling unit" means mobile homes, apartments, buildings or other structures, including the common areas thereof, rented for human habitation.

B. "Landlord" includes a mortgagee that has commenced a foreclosure action to enforce terms of a mortgage agreement either through a judicial or nonjudicial process.

Sec. 8. 14 MRSA §6111, sub-§1, as amended by PL 1997, c. 579, §1, is further amended to read:

1. Notice; payment. With respect to mortgages upon residential property located in this State when the mortgagor is occupying all or a portion of the property as the mortgagor's primary residence and the mortgage secures a loan for personal, family or household use, the mortgagee may not accelerate maturity of the unpaid balance of the obligation or otherwise enforce the mortgage because of a default consisting of the mortgagor's failure to make any required payment, tax payment or insurance premium payment, by any method authorized by this chapter until at least ~~30~~⁹⁰ days after the date that written notice pursuant to subsection 1-A is given by the mortgagee to the mortgagor and any cosigner against whom the mortgagee is enforcing the obligation secured by the mortgage at the last known addresses of the mortgagor and any cosigner that the mortgagor has the right to cure the default by full payment of all amounts that are due without acceleration, including reasonable interest and late charges specified in the mortgage or note as well as reasonable attorney's fees. If the mortgagor tenders payment of the amounts before the date specified in the notice, the mortgagor is restored to all rights under the mortgage deed as though the default had not occurred.

Sec. 9. 14 MRSA §6111, sub-§1-A is enacted to read:

1-A. Contents of notice. A mortgagee shall include in the notice under subsection 1 the following:

- A. The mortgagor's right to cure the default as provided in subsection 1;
- B. An itemization of all past due amounts causing the loan to be in default;
- C. An itemization of any other charges that must be paid in order to satisfy the full obligations of the loan;
- D. A statement that the mortgagor may have options available other than foreclosure, that the mortgagor may discuss available options with the mortgagee, the mortgage servicer or a counselor approved by the United States Department of Housing and Urban Development and that the mortgagor is encouraged to explore available options prior to the end of the right-to-cure period;
- E. The address, telephone number and other contact information for persons authorized to work with the mortgagor to avoid foreclosure, including, but not limited to, the mortgagee, the mortgage servicer and an agent of the mortgagee;
- F. The name, address, telephone number and other contact information for all counseling agencies approved by the United States Department of Housing and Urban Development operating to assist mortgagors in the State to avoid foreclosure; and
- G. A statement that all parties are required to participate in a mandatory mediation, as set forth in section 6321-A, to explore options for avoiding foreclosure.

Sec. 10. 14 MRSA §6111, sub-§3-A is enacted to read:

3-A. Information; Maine State Housing Authority. Within 3 days of providing notice to the mortgagor as required by subsection 1-A, the mortgagee shall file with the Maine State Housing Authority, in electronic format as designated by the Maine State Housing Authority, information including:

- A. The name and address of the mortgagor and the date the notice required by subsection 1-A was mailed to the mortgagor and the address to which the notice was sent;
- B. The address, telephone number and other contact information for persons authorized to work with the mortgagor to avoid foreclosure, including, but not limited to, the mortgagee, the mortgage servicer and an agent of the mortgagee; and
- C. Other information, as permitted by state and federal law, requested of the mortgagor by the Maine State Housing Authority.

On a quarterly basis the Maine State Housing Authority shall transmit foreclosure data to the Department of Professional and Financial Regulation for the purposes of data collection and reporting to the Legislature pursuant to section 6113.

Sec. 11. 14 MRSA §6111, sub-§4-A is enacted to read:

4-A. Letter to mortgagor. Within 7 days of receiving electronic information from the mortgagee as set forth in subsection 3-A, the Maine State Housing Authority shall send a notice to the mortgagor that includes a summary of the mortgagor's rights and available resources, including information concerning the mandatory foreclosure mediation program as established in section 6321-A.

Sec. 12. 14 MRSA §6111, sub-§5, as enacted by PL 1997, c. 579, §4, is amended to read:

5. Exceptions. This section does not apply to:

A. A mortgage subject to the provisions of Title 9-A, section 5-111 or a mortgage, other than a first lien mortgage, that is made subject to the provisions of Title 9-A, section 5-111 by agreement of the parties to the mortgage; or

B. ~~A mortgage that contains a requirement that a reinstatement notice, a notice of right to cure or an equivalent notice be given to the mortgagor at least 30 days prior to accelerating the maturity of the unpaid balance of the obligation or otherwise enforcing the mortgage against the mortgagor, if the mortgagee gives such a notice to the mortgagor and to any cosigner against whom the mortgagee seeks to enforce the obligation secured by the mortgage; or~~

C. A mortgage when the mortgagee accelerates the maturity of the unpaid balance of the obligation or otherwise enforces the mortgage on or after July 4, 1996 if the mortgage meets the requirements of paragraph A ~~or B.~~

Sec. 13. 14 MRSA §6112 is enacted to read:

§ 6112. Statewide hotline

The Maine State Housing Authority shall establish a statewide hotline to facilitate a mortgagor's communication with housing counselors certified by the United States Department of Housing and Urban Development for the purposes of discussing options to avoid foreclosure.

Sec. 14. 14 MRSA §6113 is enacted to read:

§ 6113. Report

The Department of Professional and Financial Regulation shall report quarterly to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters on the number of foreclosure notifications received pursuant to section 6111, subsection 3-A.

Sec. 15. 14 MRSA §6203-A, first ¶, as amended by PL 1995, c. 106, §1, is further amended to read:

Any holder of a mortgage on real estate that is granted by a corporation, partnership, including a limited partnership, limited liability company or trustee of a trust and that contains a power of sale, or a person authorized by the power of sale, or an attorney duly authorized by a writing under seal, or a person acting in the name of the holder of such mortgage or any such authorized person, may, upon breach of condition and without action, do all the acts authorized or required by the power; except that a sale under the power is not effectual to foreclose a mortgage unless, previous to the sale, notice has been published once in each of 3 successive weeks, the first publication to be not less than 21 days before the day of

the sale in a newspaper of general circulation in the town where the land lies and which notice must prominently state the street address of the real estate encumbered by the mortgage deed and the book and page number of the mortgage. This provision is implied in every power of sale mortgage in which it is not expressly set forth. For mortgage deeds executed on or after October 1, 1993, the power of sale may be used only if the mortgage deed states that it is given primarily for a business, commercial or agricultural purpose. A copy of the notice must, at least 21 days before the date of the sale under the power in the mortgage, be recorded in each registry of deeds in which the mortgage deed is or by law ought to be recorded and must be served on the mortgagor or its representative in interest, and must be served upon a tenant as a party in interest. The mortgagee shall provide such notice to a tenant if the mortgagee knows or should know by exercise of due diligence that the property is occupied as a rental unit. Notice may be sent by registered mail addressed to ~~it~~the mortgagor or the ~~its~~mortgagor's representative at ~~it~~the mortgagor's last known address, or to the person and to the address as may be agreed upon in the mortgage, at least 21 days before the date of the sale under the power in the mortgage. Notice may be served on a tenant by registered mail at the tenant's last known address only after the mortgagee has made 3 good faith efforts to serve the tenant in person. Any power of sale incorporated into a mortgage is not affected by the subsequent transfer of the mortgaged premises from the corporation, partnership, including a limited partnership, limited liability company or trustee of the trust to any other type of organization or to an individual or individuals. The power of sale may not be used to foreclose a mortgage deed granted by a trustee of a trust if at the time the mortgage deed is given the real estate is used exclusively for residential purposes, the real estate has 4 or fewer residential units and one of the units is the principal residence of the owner of at least 1/2 of the beneficial interest in the trust. If the mortgage deed contains a statement that at the time the mortgage deed is given the real estate encumbered by the mortgage deed is not used exclusively for residential purposes, that the real estate has more than 4 residential units or that none of the residential units is the principal residence of the owner of at least 1/2 of the beneficial interest in the trust, the statement conclusively establishes these facts and the mortgage deed may be foreclosed by the power of sale. The method of foreclosure of real estate mortgages provided by this section is specifically subject to the order of priorities set out in section 6205.

Sec. 16. 14 MRSA §6203-A, as amended by PL 1995, c. 106, §1, is further amended by adding after the first paragraph a new paragraph to read:

A party that acquires property pursuant to foreclosure of a mortgage, whether as a result of a judicial or nonjudicial process, may only terminate a tenancy with the mortgagor as set forth in the lease or rental agreement with the mortgagor or a tenancy at will as set forth in section 6002. Foreclosure does not terminate the tenancy agreement of a tenant with the mortgagor.

Sec. 17. 14 MRSA §6321, 2nd ¶, as amended by PL 2007, c. 391, §9, is further amended to read:

After breach of condition of any mortgage other than one of the first priority, the mortgagee or any person claiming under the mortgagee may proceed for the purpose of foreclosure by a civil action against all parties in interest, except for parties in interest having a superior priority to the foreclosing mortgagee, in either the Superior Court or the District Court in the division in which the mortgaged premises or any part of the mortgaged premises is located. In a foreclosure proceeding commenced by a mortgagee, whether by judicial or nonjudicial process, notice of process must be served upon a tenant as a party in interest. The tenant so named as a party in interest is not required to file any responsive pleadings and

must receive notice of all subsequent proceedings including all matters through and including sale of the property. The mortgagee is obligated to provide notice to the tenant if it knows or should know by exercise of due diligence that the property is occupied as a rental unit. Parties in interest having a superior priority may not be joined nor will their interests be affected by the proceedings, but the resulting sale under section 6323 is of the defendant or mortgagor's equity of redemption only. The plaintiff shall notify the priority parties in interest of the action by sending a copy of the complaint to the parties in interest by certified mail.

Sec. 18. 14 MRSA §6321, 3rd ¶, as amended by PL 2007, c. 391, §9, is further amended to read:

The foreclosure must be commenced in accordance with the Maine Rules of Civil Procedure, and the mortgagee shall within 10 days of commencing the foreclosure also record a copy of the complaint or a clerk's certificate of the filing of the complaint in each registry of deeds in which the mortgage deed is or by law ought to be recorded and such a recording thereafter constitutes record notice of commencement of foreclosure. The mortgagee shall further certify and provide evidence that all steps mandated by law to provide notice to the mortgagor pursuant to section 6111 were strictly performed. The mortgagee shall certify proof of ownership of the mortgage note and produce evidence of the mortgage note, mortgage and all assignments and endorsements of the mortgage note and mortgage. The complaint must allege with specificity the plaintiff's claim by mortgage on such real estate, describe the mortgaged premises intelligibly, including the street address of the mortgaged premises, which must be prominently stated on the first page of the complaint, state the book and page number of the mortgage, state the existence of public utility easements, if any, that were recorded subsequent to the mortgage and prior to the commencement of the foreclosure proceeding and without mortgagee consent, state the amount due on the mortgage, state the condition broken and by reason of such breach demand a foreclosure and sale. A clerk's certificate presented for recording pursuant to this section may not be accepted by the registry of deeds unless the certificate bears the title "Clerk's Certificate of Foreclosure and Sale" and prominently states, immediately after the title, the street address of the mortgaged premises and the book and page number of the mortgage. Service of process on all parties in interest and all proceedings must be in accordance with the Maine Rules of Civil Procedure. "Parties in interest" includes mortgagors, holders of fee interest, mortgagees, tenants, lessees pursuant to recorded leases or memoranda thereof, lienors and attaching creditors all as reflected by the indices in the registry of deeds and the documents referred to therein affecting the mortgaged premises, through the time of the recording of the complaint or the clerk's certificate. Failure to join any party in interest does not invalidate the action nor any subsequent proceedings as to those joined. Failure of the mortgagee to join, as a party in interest, the holder of any public utility easement recorded subsequent to the mortgage and prior to commencement of foreclosure proceedings is deemed consent by the mortgagee to that easement. Any other party having a claim to the real estate whose claim is not recorded in the registry of deeds as of the time of recording of the copy of the complaint or the clerk's certificate need not be joined in the foreclosure action, and any such party has no claim against the real estate after completion of the foreclosure sale, except that any such party may move to intervene in the action for the purpose of being added as a party in interest at any time prior to the entry of judgment.

Sec. 19. 14 MRSA §6321, as amended by PL 2007, c. 391, §9, is further amended by adding at the end a new paragraph to read:

Upon commencement of a foreclosure proceeding, by either judicial or nonjudicial process, the mortgagor and mortgagee are jointly liable for maintenance and repair of the premises pursuant to section 6021. If the mortgagor fails to maintain the premises as required by the implied warranty of fitness for human habitation as established in section 6021 then the mortgagee shall ensure that the property remains in compliance. If either the mortgagor or mortgagee fails to maintain the premises as required by the implied warranty of fitness for human habitation then the tenant may petition the court with jurisdiction over the foreclosure proceedings to enforce the tenant's rights pursuant to section 6021. In the case of a nonjudicial foreclosure process the tenant may petition any court of competent jurisdiction for said relief. In any such action brought by the tenant, the court in its discretion may establish an escrow account into which the tenant may make escrow payments and the court may distribute the funds as necessary to maintain the property pursuant to section 6021. The court may also direct that payment be made to the mortgagee and direct the mortgagee to expend such funds as are necessary to maintain the premises as required by section 6021.

Sec. 20. 14 MRSA §6321-A is enacted to read:

§ 6321-A. Mandatory foreclosure mediation program

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Court" means the Supreme Judicial Court.

B. "Program" means the mandatory foreclosure mediation program.

2. Notice; summons and complaint; foreclosure proceedings. When a plaintiff commences an action for the foreclosure of a mortgage on an owner-occupied residential real property, the plaintiff shall give notice to the defendant of the mandatory foreclosure mediation program established in subsection 3 by attaching to the front of the foreclosure complaint that is served on the defendant a copy of the notice of the availability of foreclosure mediation, in a form as prescribed by the Supreme Judicial Court.

3. Mandatory foreclosure mediation program established. Under the authority granted in Title 4, section 18-B, the Supreme Judicial Court shall adopt rules to establish a mandatory foreclosure mediation program within the Court Alternative Dispute Resolution Service to provide mediation in actions for foreclosure of mortgages on owner-occupied residential property. The program must address all issues of foreclosure, including but not limited to reinstatement of the mortgage, modification of the loan and restructuring of the mortgage debt. Mediations conducted pursuant to the program must utilize the calculations, assumptions and forms that are established by the Federal Deposit Insurance Corporation and published in the Federal Deposit Insurance Corporation Loan Modification Program Guide as set out on the Federal Deposit Insurance Corporation's publicly accessible website.

Communications during mediation are confidential and may not be used in subsequent legal proceedings.

The plaintiff's or defendant's rights in the foreclosure action are not waived by participating in the program.

4. Provisions of mediation services; filing and fees. The Court Alternative Dispute Resolution Service, established in Title 4, section 18-B, shall provide mediation services under this section. The Court Alternative Dispute Resolution Service shall:

A. Assign mediators who:

(1) Are trained in mediation and all relevant aspects of the law;

(2) Have knowledge of community-based resources that are available in the judicial districts in which they serve;

(3) Have knowledge of mortgage assistance programs; and

(4) Are trained in using the relevant Federal Deposit Insurance Corporation forms and worksheets.

The court may establish a training program for mediators and require that mediators receive such training prior to being appointed;

B. Report quarterly to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters and the joint standing committee of the Legislature having jurisdiction over judiciary matters on:

(1) The performance of the program, including numbers of homeowners who are notified of mediation, who attend mediation and who receive legal counseling or legal assistance; and

(2) The outcome of the mediation process, including the number of loans restructured, number of principal write-downs, interest rate reductions and number of homeowners who default on mortgages within a year after restructuring; and

C. Establish a fee for mediation services to be paid for by the plaintiff.

5. Stay of foreclosure process. Further action in the foreclosure proceeding may not be pursued during the mediation's pendency and the court process is stayed during the mediation process under this section. The foreclosure process may commence again only upon certification and proof of

evidence to the court that requirements under the program were satisfied, as determined by the court. All fees and costs related to the foreclosure and delinquency remain fixed from the date of the scheduled mediation until the date that the mediator's report pursuant to subsection 10 is filed.

6. Application of mediation provisions to ongoing foreclosure proceedings. The requirements of this section apply to foreclosures filed after the effective date of this section and to owner-occupied residential properties in the foreclosure process but not scheduled for sale before the effective date of this section. Nothing in this section precludes the court from exercising its discretion to require mediation for other properties, including but not limited to owner-occupied residential properties already scheduled for sale or other multifamily housing properties.

7. Preforeclosure mediation. The court maintains the discretion to require mediation prior to the filing of the foreclosure action as long as the mediation satisfies the standards and requirements of this section. The court's discretion includes the authority to require additional notice to defendants prior to a plaintiff's filing of the foreclosure complaint.

8. Parties to mediation. A mediator shall include in the mediation process under this section any person the mediator determines is necessary for effective mediation. Mediation and appearance in person is mandatory for:

- A. The mortgagee, who has the authority to agree to a proposed settlement, loan modification or dismissal of the loan, except that the mortgagee may participate by telephone;
- B. The defendant;
- C. Counsel for the plaintiff and the defendant; and
- D. Counsel for the defendant, if represented.

9. Good faith effort. If the court finds that either party failed to make a good faith effort to mediate, the court may impose sanctions that include dismissal of the foreclosure action with prejudice and costs and fees.

10. Report. The mediator's report must include the certification in a manner as determined by the court that the parties completed in full and in good faith the Net Present Value Worksheet in the Federal Deposit Insurance Corporation Loan Modification Program Guide. The mediator shall retain a copy of the worksheet until completion of the foreclosure proceedings. If the report is not the result of a settlement or dismissal of the case, the report must include the outcomes of the Net Present Value Worksheet.

11. Waive mediation. With the court's approval, a defendant may waive the mediation requirement under this section under the following conditions:

- A. The defendant desires foreclosure because of personal circumstances and has certification by an independent 3rd-party counselor or attorney that the defendant understands what it means to waive the mediation; and

B. The waiver includes language that prohibits the homeowner from signing away any claim related to the mortgage origination.

Any waiver of mediation agreed to by the defendant must include an agreement by the plaintiff to waive any deficiency that may result upon sale of the property.

Sec. 21. 36 MRSA §4641-C, sub-§2, as repealed and replaced by PL 1993, c. 680, Pt. A, §31, is amended to read:

2. Mortgage deeds. Mortgage deeds, discharges of mortgage deeds and partial releases of mortgage deeds, ~~deeds from a mortgagor to a mortgagee in lieu of foreclosure and deeds from a mortgagee to itself at a public sale held pursuant to Title 14, section 6323.~~ In the event of a deed to a 3rd party at such a public sale, the tax imposed upon the grantor by section 4641-A applies only to that portion of the proceeds of sale that exceeds the sums required to satisfy in full the claims of the mortgagee and all junior claimants originally made parties in interest in the proceedings or having subsequently intervened in the proceedings as established by the judgment of foreclosure and sale. The tax must be deducted from the excess proceeds;

Sec. 22. 36 MRSA §4641-C, sub-§13, as enacted by PL 1993, c. 398, §4, is repealed.

Sec. 23. Rules. The Supreme Judicial Court shall adopt rules pursuant to the Maine Revised Statutes, Title 14, section 6321-A, subsection 3 no later than 60 days after the effective date of this Act.

The court shall also amend its existing rules to remove Rule 16B(b)(7), which exempts actions for nonpayment in mortgage foreclosures from the court's requirements for alternative dispute resolution.

Sec. 24. Outreach program. The Maine State Housing Authority shall conduct a pilot project regarding the coordination of an outreach program to help families with their housing needs through the NeighborWorks Program with the intent of expanding the outreach program statewide.

Sec. 25. Collaboration with community organizations. The Maine Supreme Court and the Maine State Housing Authority shall facilitate outreach with community organizations to help increase mortgagors' awareness of options other than foreclosure.

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

SUMMARY

This bill amends the laws pertaining to foreclosures.

1. It establishes the mandatory foreclosure mediation program within the Court Alternative Dispute Resolution Service.

2. It makes violation of provisions of the Maine Consumer Credit Code a violation of the Maine Unfair Trade Practices Act.

3. It requires that the words "judgment of foreclosure and sale," the street address of the real estate involved and the book and page number of the mortgage be on a foreclosure judgment when filed in the registry of deeds.

4. It clarifies that a foreclosure on a rental property does not terminate a tenancy.

5. It describes what a mortgagee must include in a notice of foreclosure to a mortgagor.

6. It requires a mortgagee to provide certain information to the Maine State Housing Authority about foreclosure, which the Maine State Housing Authority shall transmit to the Department of Professional and Financial Regulation.

7. It requires the Maine State Housing Authority to notify a mortgagor who is a party to a foreclosure about the mortgagor's rights and available resources as they relate to the foreclosure as well as the mandatory foreclosure mediation program. It also requires the Maine State Housing Authority to establish a statewide hotline to help mortgagors communicate with housing counselors certified by the United States Department of Housing and Urban Development.

8. It requires the Department of Professional and Financial Regulation to report quarterly on the number of foreclosure notifications received to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters.

9. It amends the procedure and notice for foreclosures.

10. It amends the procedure for commencement of foreclosure by civil action.