SENATE DOCKET, NO. FILED ON: 1/13/2009

**SENATE . . . . . . . . . . . . . . No.**

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The Commonwealth of Massachusetts

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PRESENTED BY:

**Scott P. Brown**

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General
 Court assembled:*

 The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act creating the Massachusetts Mortgage Resolution System.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

PETITION OF:

|  |  |
| --- | --- |
| Name: | District/Address: |
| Richard R. Tisei | Middlesex and Essex |

The Commonwealth of Massachusetts

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**In the Year Two Thousand and Nine**

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An Act creating the Massachusetts Mortgage Resolution System.

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

SECTION 1. Chapter 23B of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by inserting after section 29, the following new section:-

Section 30. (a) Notwithstanding any general or special law to the contrary, there shall exist within the department of housing and community development the Massachusetts Mortgage Resolution System which shall list and put up for sale for a period no longer than sixty days any property in the Commonwealth in which the mortgagee, assignee or holder of a mortgage note has met the requirements to obtain a conditional judgment upon a mortgage containing a power of sale.

 (b) The director of the department shall design, operate and maintain the Massachusetts Mortgage Resolution System within the official website of the Commonwealth and it shall be accessible to the public.

 (c) Any proceeds received from the sale of property pursuant to section 17C of chapter 244 shall be first used to satisfy the principal and interest due to the first lien holder, then to satisfy the principal and interest of the second lien holder, if applicable.  Any remaining proceeds shall then be distributed by the director as follows:

1. 4 percent to the mortgagee, assignee or holder of the mortgage note
2. 3 percent to the seller of the property; provided that the seller is not the mortgagee, assignee or holder of the mortgage note
3. The remaining balance shall revert to the General Fund of the Commonwealth

 (d) The director shall promulgate rules and regulations pursuant to this section.

SECTION 2. Chapter 244 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by inserting after section 17C, the following new section:-

 Section 17D. Once the mortgagee, assignee or holder of a mortgage note has met the requirements to obtain a conditional judgment upon a mortgage containing a power of sale, the mortgagor shall offer the property for sale by listing the property with the Massachusetts Mortgage Resolution System (MMRS) for a period of sixty days at a price equal to the first lien plus the second lien plus ten percent.  If a purchase and sale agreement is executed on the property during the sixty day period and includes no greater than a thirty day closing, the sale of the property shall go forward and the sale proceeds, including any and all commissions received, shall be distributed first to the first lien holder, then to the second lien holder, if applicable, with the remainder to MMRS.  If the property does not sell in the prescribed time period, a conditional judgment shall be entered upon the mortgage.