

HOUSE No.

[LOCAL APPROVAL RECEIVED.]

The Commonwealth of Massachusetts

PRESENTED BY:

William Lantigua

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 establishing judicial review of foreclosures in the city of Lawrence.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
William Lantigua	16th Essex

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT ESTABLISHING JUDICIAL REVIEW OF FORECLOSURES IN THE CITY OF LAWRENCE.

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

- 1 WHEREAS, The City of Lawrence has taken a strong stance in combating the mortgage
2 foreclosure crisis and in this year alone the City has presented three laws aimed at
3 combating the negative effects of the emergency; and
4
- 5 WHEREAS, The state legislature has enacted laws aimed at preventing future predatory
6 mortgage schemes and Congress is considering several initiatives, but none of
7 these initiatives address the issue that there is no judicial review of all mortgage
8 foreclosures; and
9
- 10 WHEREAS, The need for judicial involvement in reviewing the merits of a foreclosure is clear.
11 Even the Secretary of the Commonwealth, William F. Galvin, supported the idea
12 of judicial review of foreclosures at a recent State Senate Judicial Committee; and
13
- 14 WHEREAS, The Commonwealth's Attorney General initiated suits against mortgage
15 companies for violations of the Home Loan Practices Act, M.G.L. chapter 183C,
16 section 2 and individual brokers for forgery, making false statements, and larceny
17 of credit by false pretenses. Despite these efforts, the Attorney General does not
18 have the time or resources to prosecute all lending violations. Mandatory judicial
19 review of residential foreclosures would subject each loan to these standards; and
20
- 21 WHEREAS, The wide-scale issuance of presumptively unfair loans and ever-increasing rate of
22 foreclosures in the City mandates that our foreclosure system be amended to keep
23 up with the crisis; and
24

25 WHEREAS, Many other states require judicial foreclosure, such as Connecticut, Delaware, and
26 Maine, THEREFORE

27
28 The City of Lawrence petitions the General Court for a special law relating to the City of
29 Lawrence that legislation be adopted precisely as follows, except for clerical or editorial changes
30 of form only:

31
32 PETITION FOR A SPECIAL LAW RE:
33 JUDICIAL REVIEW OF FORECLOSURES IN THE CITY OF LAWRENCE
34

35 Section 1. Whereas all foreclosures of residential mortgages on 1-4 family owner-occupied
36 property, located in the City of Lawrence, can only be initiated by the filing of a foreclosure
37 complaint in the Essex County Superior Court or Northeast Housing Court. Whereas a
38 residential mortgagor may raise any and all available defenses to the foreclosure and to the
39 contract for the underlying mortgage loan, in law, and in equity. The Court shall have the
40 authority to modify the mortgage or grant any other appropriate relief.

41
42 Section 2. The provisions of this Act shall be effective 90 days after passage.