

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Mr. Montigny

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 to Establish a Moratorium on Foreclosures in the Commonwealth.

PETITION OF:

NAME:

Mr. Montigny

DISTRICT/ADDRESS:

Second Bristol and Plymouth

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT TO ESTABLISH A MORATORIUM ON FORECLOSURES IN THE COMMONWEALTH.

*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. WHEREAS the deferred operation of this act would tend to defeat its purpose which is to
2 protect citizens of the Commonwealth, therefore it is hereby declared to be an emergency law
3 necessary for the immediate protection of the public.

4

5 Notwithstanding the provisions of any general or special law to the contrary, no foreclosures shall be
6 conducted for a period of one hundred and eighty (180) days after the effective date of this section, on
7 any residential real estate located in the Commonwealth having a dwelling house with accommodations
8 for four or less separate households and occupied in whole or in part by an obligor on the mortgage
9 debt, on any mortgage from which is presumptively unfair by virtue of having one of the following:

10

11 (a) an adjustable rate loan with an introductory period of three years or less; and a debt-to
12 income ratio in excess of 50 percent under the fully indexed rate; and the loan-to-value ratio is 97
13 percent or greater, or the loan carries substantial pre-payment penalties or pre-payment penalties
14 extend beyond the introductory period;

15

16 (b) interest only loans;

17

18 (c) loans with high points, fees or interest in violation of the Predatory Home Loan Practices Act,
19 G.L. c. 183C §2.

20

21 No register of deeds or assistant recorder of the land court shall accept for recording or filing for
22 registration any foreclosure deed pursuant to a foreclosure conducted in violation of this act during said
23 180-day period.

24

25 During the 180-day moratorium period, mortgage holders shall provide an authorized representative to
26 enter into good faith negotiations with borrowers who so request, to modify the terms of their
27 mortgages, including, reducing the principal, lowering the interest rate, eliminating pre-payment
28 penalties, and other fees and costs so that qualified homeowners can obtain affordable mortgages that
29 will allow them to stay in their homes. No fees or penalties shall accrue during the moratorium period.