

New Foreclosure Law Provides Extra Protections for Homeowners & Tenants

On Saturday, August 7, Governor Deval Patrick signed into law a bill aimed at staving off foreclosures across the Commonwealth. "An Act to Stabilize Neighborhoods" will provide extra protections for homeowners facing foreclosure and tenants in foreclosed properties.

The new law:

1. Extends the 90-day right to cure period, enacted by the legislature in 2007, to 150 days, which will give homeowners and lenders more time to find a solution that could keep a family in its home;
2. Prevents lenders from evicting tenants without just cause or prior to the sale of a foreclosed property;
3. Requires lenders to provide contact information where tenants can mail their rent payment within 30 days of foreclosure;
4. Requires that after a foreclosure, if the new landlord wishes to set new rent and occupancy rates, he or she must request a court hearing;
5. Establishes mortgage fraud as a crime so that bad actors can now be punished;
6. Requires the borrower to be proactive and act in good faith to receive protection (i.e. meet at least once in person or over the phone with the lender or its representative, and respond within 30 days to any mailed communications from the lender or its representative); and
7. Makes adjustments to the reverse mortgage process for low income seniors, requiring in-person counseling for reverse mortgage applicants—this requirement will go into effect August 7, 2012.

Foreclosure Prevention Workshops

As part of its on-going efforts to assist homeowners at risk for foreclosure, the Office of Consumer Affairs and Business Regulation will host two foreclosure prevention workshops to bring together mortgage lenders and homeowners.

During these events, homeowners may 1) speak one-on-one with lenders about loan modifications and alternatives to prevent foreclosure, 2) meet with local housing counselors, and 3) attend educational seminars to learn about ways to save their homes. Multilingual counselors will be available at both workshops.

Brockton - August 25, 2010

2:00 - 8:00 p.m.

The Conference Center at Massasoit
770 Crescent Street

Boston - August 26, 2010

2:00 - 8:00 p.m.

Hynes Convention Center
900 Boylston Street

Please visit www.mass.gov/foreclosure for workshop updates and information on foreclosure prevention. For more information about the new law, visit Foreclosure Law FAQs.