

HOUSE BILL 523

N1
HB 769/25 – ENT

6lr1056
CF SB 353

By: **Delegates D. Jones, Stewart, Lehman, Allen, Bagnall, Behler, Chang, Crutchfield, Embry, Feldmark, Foley, Fraser-Hidalgo, Guyton, Guzzone, Hill, Martinez, Moon, Moreno, Palakovich Carr, Pruski, Roberts, Ruff, Solomon, Toles, Watson, and Williams**

Introduced and read first time: January 27, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Residential Foreclosures – Commencement Restrictions**

3 FOR the purpose of establishing certain restrictions for the commencement of a foreclosure
4 and an order to docket or a complaint to foreclose a mortgage or deed of trust on
5 residential property; and generally relating to an action to foreclose a mortgage or
6 deed of trust on residential property.

7 BY repealing and reenacting, without amendments,

8 Article – Real Property

9 Section 7–105.1(a)(1), (8), and (12) and (b)

10 Annotated Code of Maryland

11 (2023 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Real Property

14 Section 7–105.1(e)

15 Annotated Code of Maryland

16 (2023 Replacement Volume and 2025 Supplement)

17 BY adding to

18 Article – Real Property

19 Section 7–105.1(e–1)

20 Annotated Code of Maryland

21 (2023 Replacement Volume and 2025 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Real Property**

2 7–105.1.

3 (a) (1) In this section the following words have the meanings indicated.

4 (8) “Owner–occupied residential property” means residential property in
5 which at least one unit is occupied by an individual who:

6 (i) Has an ownership interest in the property; and

7 (ii) Uses the property as the individual’s primary residence.

8 (12) “Residential property” means real property improved by four or fewer
9 single family dwelling units that are designed principally and are intended for human
10 habitation.11 (b) (1) Except as provided in paragraph (2) of this subsection, an action to
12 foreclose a mortgage or deed of trust on residential property may not be filed until the later
13 of:14 (i) 90 days after a default in a condition on which the mortgage or
15 deed of trust provides that a sale may be made; or16 (ii) 45 days after the notice of intent to foreclose required under
17 subsection (c) of this section is sent.18 (2) (i) The secured party may petition the circuit court for leave to
19 immediately commence an action to foreclose the mortgage or deed of trust if:20 1. The loan secured by the mortgage or deed of trust was
21 obtained by fraud or deception;22 2. No payments have ever been made on the loan secured by
23 the mortgage or deed of trust;24 3. The property subject to the mortgage or deed of trust has
25 been destroyed;26 4. The default occurred after the stay has been lifted in a
27 bankruptcy proceeding; or28 5. The property subject to the mortgage or deed of trust is
29 property that is vacant and abandoned as provided under § 7–105.18 of this subtitle.

30 (ii) The court may rule on the petition with or without a hearing.

(iii) If the petition is granted:

1. The action may be filed at any time after a default in a
condition on which the mortgage or deed of trust provides that a sale may be made; and

6 (e) An order to docket or a complaint to foreclose a mortgage or deed of trust on
7 residential property shall:

8 (1) Include:

(i) If applicable, the license number of:

1. The mortgage originator; and

2. The mortgage lender; and

(ii) An affidavit stating:

1. The date on which the default occurred and the nature of

2. If applicable, that:

A. A notice of intent to foreclose was sent to the mortgagor or
th subsection (c) of this section and the date on which the notice

B. At the time the notice of intent to foreclose was sent, the intent to foreclose were accurate; [and]

(2) Be accompanied by:

(i) The original or a certified copy of the mortgage or deed of trust;

(iv) If applicable, the original or a certified copy of the assignment of
the mortgage for purposes of foreclosure or the deed of appointment of a substitute trustee;

(v) If any defendant is an individual, an affidavit that is in compliance with § 521 of the Servicemembers Civil Relief Act, 50 U.S.C. App. § 501 et seq.;

(vi) If applicable, a copy of the notice of intent to foreclose;

(vii) If the secured party and mortgagor or grantor have elected to participate in prefile mediation, the report of the prefile mediation issued by the Office of Administrative Hearings;

(viii) If the secured party and the mortgagor or grantor have not elected to participate in prefile mediation, a statement that the parties have not elected to participate in prefile mediation;

12 (x) 1. If the loss mitigation analysis has been completed subject
13 to subsection (g) of this section, a final loss mitigation affidavit in the form prescribed by
14 regulation adopted by the Commissioner of Financial Regulation; and

15 2. If the loss mitigation analysis has not been completed, a
16 preliminary loss mitigation affidavit in the form prescribed by regulation adopted by the
17 Commissioner of Financial Regulation; AND

(3) BE COMMENCED NOT LATER THAN 10 YEARS AFTER THE DATE OF
DEFAULT CLAIMED IN THE ORDER TO DOCKET OR COMPLAINT TO FORECLOSE.

20 **(E-1) IF A FORECLOSURE IS COMMENCED BY A SECURED PARTY THAT**
21 **ACQUIRED DEBT THAT WAS IN DEFAULT FOR 5 OR MORE YEARS BEFORE THE**
22 **ACQUISITION, THE SECURED PARTY SHALL PRESENT THE DOCUMENTS REQUIRED**
23 **UNDER § 5-1203(B) OF THE COURTS ARTICLE WITH THE ORDER TO DOCKET OR**
24 **COMPLAINT TO FORECLOSE.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
26 1, 2026.