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JUDICIARY

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COMMITTEE AMENDMENT " " to H.P. 785, L.D. 1147, Bill, "An Act To Clarify the Mortgage Foreclosure Sale Process"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 14 MRSA §6324, as amended by PL 2003, c. 20, Pt. T, §10, is further amended to read:

§6324. Proceeds of sale

After first deducting the expenses incurred in making the sale, the mortgagee shall disburse the remaining proceeds in accordance with the provisions of the judgment. The mortgagee shall file a report of the sale and the disbursement of the proceeds therefrom of the sale with the court and shall mail a copy to the mortgagor at the mortgagor's last known address. The report of the sale must show the amount of the foreclosure judgment determined by the court and must itemize all additions to the judgment. This report need not be accepted or approved by the court, provided that as long as the mortgagor or any other party in interest may contest the accounting by motion filed within 30 days of receipt of the report, but any such challenge may be for money only and does not affect the title to the real estate purchased by the highest bidder at the public sale. Any Upon motion of the mortgagee, served upon the mortgagor and filed with the court with the report of sale, any deficiency must be assessed against the mortgagor and an execution must be issued by the court therefor. In the event the mortgagee has been the purchaser at the public sale, any deficiency is limited to the difference between the fair market value of the premises at the time of the public sale, as established by an independent appraisal, and the sum due the mortgagee as established by the court with interest plus the expenses incurred in making the sale. Any surplus must be paid to the mortgagor, or the mortgagor's successors, heirs or assigns in the proceeding. If the mortgagor has not appeared personally or by an attorney, the surplus must be paid to the clerk of courts, who shall hold the surplus in escrow for 6 months for the benefit of the mortgagor, or the mortgagor's successors, heirs or assigns and, if the surplus remains unclaimed after 6 months, the clerk shall pay the surplus to the Treasurer of State to be credited to the

COMMITTEE AMENDMENT

1 General Fund until it becomes unclaimed under the Uniform Unclaimed Property Act,
2 and report and pay it to the State in accordance with that Act. The report of sale required
3 by this section must be filed with the court within 180 days of the date of the conveyance
4 of title following the public sale, without regard to the actual date of conveyance
5 following the sale. If the report is not filed with the court within 180 days, the mortgagee
6 has no right to seek a deficiency judgment.'

7 **SUMMARY**

8 This amendment deletes section 1 from the bill.

9 The amendment amends section 2 of the bill to require that the report of the sale of
10 the foreclosed property must be filed with the court within 180 days of the conveyance of
11 the title of the property after the public sale instead of 45 days from the date of the sale,
12 as the bill requires.