
House Bill 1377

Real Property - Vacant and Abandoned Property -
Expedited Foreclosure

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ENVIRONMENT AND TRANSPORTATION COMMITTEE

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What Does This Bill Do?

HB 1377 provides for expedited foreclosure of vacant and abandoned properties, giving the Secured Party the responsibility for general upkeep of that property, pending foreclosure.

General Facts



The “Broken Window Theory” is an academic theory that uses broken windows as a metaphor for disorder within a community, seeing serious crime as the final result in a lengthier chain of events - starting with a broken or boarded up window.

General Facts

Also: Effect on property values in a community.

How much would this house as your neighbor affect the value of your property?



General Facts

When a house like this is abandoned, counties, municipalities and homeowners associations will often undertake at least to mow the grass - but who pays? The owner has abandoned; the secured party is not interested.



The Problem

Abandoned residential properties are a blight upon the neighborhoods they are in, affecting more than just the property owner who abandoned it, and causing damages in the form of reduced property values, and the cost of basic external maintenance for public health and safety.

HB 1377 - “Real Property - Vacant and Abandoned Property - Expedited Foreclosure”

Addresses these issues by expediting foreclosure proceedings:

- For vacant and abandoned residential property
- Upon 30 days written notice to the secured party
- Requiring the Secured Party to assume responsibility for maintaining the abandoned property pending foreclosure and title transfer
- And to petition the Circuit Court for leave to immediately commence an action to foreclose on the property

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An Example

The situation arises where (for example) the Mortgage is \$250K but the fair market value is \$150K. The homeowner has abandoned the property, and the secured party has ignored it for 5 years. The homeowners association and/or the county or municipality has undertaken cutting the lawn. Without this law, upon foreclosure, the secured party takes all the revenue with no obligation to repay 5 years' worth of lawn mowing.

HB 1392 - Protects Maryland Citizens and Homeowners by:

- Requiring prompt action on the part of the Secured Party of a vacant, abandoned property, the only party that has authority to do anything at that point
- Fixing the obligation and granting authority to the secured party to take action and to maintain the property pending foreclosure
- Enabling Injunctive or other equitable relief to the county, Municipal Corporation, or Homeowners' Association to enforce these provisions.

A Picture is Worth a Thousand Words. . . .



Or this one. . . .



SUMMARY

The Secured Party has the sole authority and ability to act to prevent harm and damages to the neighbors of secured abandoned property.

This Bill requires that they do so in a timely fashion, upon proper notice.

We ask for a favorable Report on

HB 1377

Questions?