

HOUSE No. 4085

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act establishing a temporary moratorium on foreclosures in the city of Lawrence..

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. Notwithstanding the provisions of any general or special law to the
2 contrary, no foreclosure sale pursuant to a power of sale in any mortgage deed of real estate
3 located in the City of Lawrence, having a dwelling house with accommodations for four or less
4 separate households and occupied in whole or in part by the obligor on the mortgage debt, shall
5 be conducted in the City of Lawrence for a period of one hundred and eighty days after the
6 effective date of this section, on any mortgage note from a subprime lender that is
7 presumptively unfair by virtue of having any of the following: (a) an adjustable rate loan with an
8 introductory period of three years or less; (b) a debt-to- income ratio in excess of 50% under the
9 fully indexed rate; (c) the loan was approved on a “stated income” basis with no regard to a
10 borrower’s ability to repay; (d) the loan-to-value ratio is 100% or the loan carries substantial pre-
11 payment penalties or pre-payment penalties that extend beyond the introductory period; (e)
12 interest only loans; or (f) high points, fees or interest in violation of the predatory Home Loan
13 Practices Act, M.G.L. chapter 183C, section 2.

14 SECTION 2. The provisions of this Act shall be effective immediately upon passage.