

HOUSE No. 4276

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to establish a moratorium on foreclosures in the city of Brockton ..

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. WHEREAS, in 2008 a housing crisis began when the number of
2 foreclosures of prime and subprime mortgages in the United States dramatically increased; and

3 WHEREAS, the housing crisis has had a negative impact on the city of Brockton; and

4 WHEREAS, the city of Brockton has seen a dramatic increase in foreclosures; and

5 WHEREAS, the city of Brockton has the highest foreclosure rate in the commonwealth
6 of Massachusetts; and

7 WHEREAS, the situation severely impacts the citizens of Brockton due to fact that
8 hundreds of people have lost their homes and are forced to become homeless; and

9 WHEREAS, the high rate of foreclosures in the city of Brockton has led to scores of
10 properties being left vacant and in a state of disrepair; and

11 WHEREAS, the large number of foreclosures has negatively affected the level of
12 services that the city of Brockton can provide its citizens due to loss of income due to the loss of
13 taxes and a decline in property values; and

14 WHEREFORE, the city of Brockton declares a state of emergency due to this housing
15 crisis.

16 SECTION 2. Notwithstanding the provisions of any general or special law to the
17 contrary, no foreclosures shall be conducted for a period of 180 days after the effective date of
18 this section, on any residential real estate located in the city of Brockton having a dwelling house
19 with accommodations for 4 or less separate households and occupied in whole or in part by an
20 obligor on the mortgage debt, on any mortgage which is presumptively unfair by virtue of having
21 one of the following:

22 (a) an adjustable rate loan with an introductory period of 3 years or less; and a debt-to
23 income ratio in excess of 50 percent under the fully indexed rate; and the loan-to-value ratio is
24 97 percent or greater, or the loan carries substantial prepayment penalties or prepayment
25 penalties extend beyond the introductory period; or

26 (b) interest-only loans; or

27 (c) loans with high points, fees or interest in violation of section 2 of chapter 183C of the
28 General Laws, the Predatory Home Loan Practices Act.

29 SECTION 3. During said 180-day period, neither the registry of deeds for Plymouth
30 county, nor any assistant recorder of the land court, shall accept for recording or filing for

31 registration any foreclosure deed involving real estate located in the city of Brockton pursuant to
32 a foreclosure conducted in violation of this act.

33 SECTION 4. During the 180-day moratorium period; mortgage holders shall provide an
34 authorized representative to enter into good faith negotiations with borrowers who so request, to
35 modify the terms of their mortgages, including, reducing the principal, lowering the interest rate,
36 eliminating prepayment penalties, and other fees and costs so that qualified homeowners can
37 obtain affordable mortgages that will allow them to stay in their homes. No fees or penalties
38 shall accrue during the moratorium period.

39 SECTION 5. This act shall take effect upon its passage.