

SENATE No. 621

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act creating the Massachusetts Mortgage Resolution System..

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. Chapter 23B of the General Laws, as appearing in the 2006 Official
2 Edition, is hereby amended by inserting after section 29, the following new section:-

3 Section 30. (a) Notwithstanding any general or special law to the contrary, there shall
4 exist within the department of housing and community development the Massachusetts Mortgage
5 Resolution System which shall list and put up for sale for a period no longer than sixty days any
6 property in the Commonwealth in which the mortgagee, assignee or holder of a mortgage note
7 has met the requirements to obtain a conditional judgment upon a mortgage containing a power
8 of sale.

9 (b) The director of the department shall design, operate and maintain the Massachusetts
10 Mortgage Resolution System within the official website of the Commonwealth and it shall be
11 accessible to the public.

12 (c) Any proceeds received from the sale of property pursuant to section 17C of chapter
13 244 shall be first used to satisfy the principal and interest due to the first lien holder, then to

14 satisfy the principal and interest of the second lien holder, if applicable. Any remaining proceeds
15 shall then be distributed by the director as follows:

16 4 percent to the mortgagee, assignee or holder of the mortgage note

17 3 percent to the seller of the property; provided that the seller is not the mortgagee,
18 assignee or holder of the mortgage note

19 The remaining balance shall revert to the General Fund of the Commonwealth

20 (d) The director shall promulgate rules and regulations pursuant to this section.

21 SECTION 2. Chapter 244 of the General Laws, as appearing in the 2006 Official
22 Edition, is hereby amended by inserting after section 17C, the following new section:-

23 Section 17D. Once the mortgagee, assignee or holder of a mortgage note has met the
24 requirements to obtain a conditional judgment upon a mortgage containing a power of sale, the
25 mortgagor shall offer the property for sale by listing the property with the Massachusetts
26 Mortgage Resolution System (MMRS) for a period of sixty days at a price equal to the first lien
27 plus the second lien plus ten percent. If a purchase and sale agreement is executed on the
28 property during the sixty day period and includes no greater than a thirty day closing, the sale of
29 the property shall go forward and the sale proceeds, including any and all commissions received,
30 shall be distributed first to the first lien holder, then to the second lien holder, if applicable, with
31 the remainder to MMRS. If the property does not sell in the prescribed time period, a
32 conditional judgment shall be entered upon the mortgage.