

**HOUSE . . . . . No. 1404**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Daniel Cahill and Tommy Vitolo*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act protecting homeowners from unnecessary foreclosures.

PETITION OF:

| NAME:                       | DISTRICT/ADDRESS:                       | DATE ADDED:      |
|-----------------------------|---|------------------|
| <i>Daniel Cahill</i>        | <i>10th Essex</i>                       | <i>1/20/2023</i> |
| <i>Tommy Vitolo</i>         | <i>15th Norfolk</i>                     | <i>1/20/2023</i> |
| <i>Danielle W. Gregoire</i> | <i>4th Middlesex</i>                    | <i>1/26/2023</i> |
| <i>James J. O'Day</i>       | <i>14th Worcester</i>                   | <i>1/26/2023</i> |
| <i>Rebecca L. Rausch</i>    | <i>Norfolk, Worcester and Middlesex</i> | <i>2/6/2023</i>  |
| <i>Jacob R. Oliveira</i>    | <i>Hampden, Hampshire and Worcester</i> | <i>4/23/2023</i> |

**HOUSE . . . . . No. 1404**

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By Representatives Cahill of Lynn and Vitolo of Brookline, a petition (accompanied by bill, House, No. 1404) of Daniel Cahill, Tommy Vitolo and others relative to protecting homeowners from unnecessary foreclosures. The Judiciary.

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**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
\_\_\_\_\_

An Act protecting homeowners from unnecessary foreclosures.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to Whereas, the purpose of this act is to codify existing law and ensure that homeowners receive the protection intended by the legislature to avoid unnecessary foreclosures; and

Whereas, the deferred operation of this act would tend to defeat its purpose as stated above, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public peace, health, safety and convenience., therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public health.

*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.

2 Section 35C of chapter 244 of the General Laws is hereby amended by striking out  
3 subsection (h) and replacing it with the following:

4 (h) In all circumstances in which an entity with a tax-exempt filing status under section  
5 501(c)(3) of the Internal Revenue Code, or an entity controlled by an entity with such tax exempt  
6 filing status—

7           a. Offers to purchase either a mortgage loan or residential property, no creditor shall  
8 require as a condition of sale or transfer to any such entity any affidavit, statement, agreement or  
9 addendum limiting ownership or occupancy of the residential property by the borrower and, if  
10 obtained, such affidavit, statement, agreement or addendum shall not provide a basis to avoid a  
11 sale or transfer nor shall it be enforceable against such acquiring entity or any real estate broker,  
12 borrower or settlement agent named in such affidavit, statement or addendum.

13           b. Obtains from a person acquiring or re-acquiring a residential property any mortgage,  
14 note, or security instrument encumbering such residential property that secures the contingent  
15 right of the entity to receive a share of the appreciation in value of such residential property upon  
16 the sale, conveyance, assignment, or other transfer thereof, upon refinancing of the first priority  
17 mortgage loan, or other payoff or satisfaction thereof, or upon the occurrence of other events,  
18 including reaching a defined maturity date, said entity shall not be liable for monetary relief,  
19 injunctive relief, or other equitable relief at common law or by statute, including Chapter 93A,  
20 Chapter 140D, Chapter 183C, and/or Chapter 271, Section 49 of the General Laws, for the use or  
21 terms of said mortgage, note, or security instrument so long as such person is advised, in advance  
22 of the closing of such person's acquisition or re-acquisition of such residential property, that  
23 such person will be required to give such a mortgage, note, or security instrument to such entity  
24 at the closing.

25           c. The Attorney General may make rules and regulations interpreting subsection 35C (h)  
26 b of this chapter.