

HOUSE No. 1807

The Commonwealth of Massachusetts

PRESENTED BY:

Kristin E. Kassner

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 relative to foreclosure mediation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Kristin E. Kassner</i>	<i>2nd Essex</i>	<i>1/16/2025</i>

HOUSE No. 1807

By Representative Kassner of Hamilton, a petition (accompanied by bill, House, No. 1807) of Kristin E. Kassner relative to foreclosure mediation. The Judiciary.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act relative to foreclosure mediation.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 244 of the General Laws is hereby amended by adding the following section:-

2 Section 42. (a) As used in this section, the following words shall, unless the context
3 clearly requires otherwise, have the following meanings:

4 “Borrower”, a mortgagor of a mortgage loan.

5 “Creditor”, a person or entity that holds or controls, partially, wholly, indirectly, directly
6 or in a nominee capacity, a mortgage loan securing an owner-occupied residential property
7 including, but not limited to, an originator, holder, investor, assignee, successor, trust, trustee,
8 nominee holder, mortgage electronic registration system or mortgage servicer, including the
9 Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;
10 provided, however, that “creditor” shall also include any servant, employee or agent of a
11 creditor.

12 “Creditor’s representative”, a person who has the authority to negotiate and approve the
13 terms of and modify a mortgage loan, under a servicing agreement.

14 “Modified mortgage loan”, a mortgage modified from its original terms including, but not
15 limited to, a loan modified under: (i) the Home Affordable Modification Program; (ii) the
16 Federal Deposit Insurance Corporation’s Loan Modification Program; (iii) any modification
17 program that a lender uses that is based on accepted principles and the safety and soundness of
18 the institution and authorized by the National Credit Union Administration, the division of banks
19 or any other instrumentality of the commonwealth; (iv) the Federal Housing Administration; or
20 (v) a similar federal loan modification plan.

21 “Mortgage loan”, a loan to a natural person made primarily for personal, family or
22 household purposes secured wholly or in part by a mortgage on residential property.

23 “Residential property”, real property located in the commonwealth on which there is a
24 dwelling with accommodations for not more than 4 separate households and occupied, or to be
25 occupied, in whole or in part by the obligor on the mortgage debt; provided, however, that
26 “residential property” shall be limited to the principal residence of a person; provided further,
27 that “residential property” shall not include an investment property or a residence, other than a
28 primary residence, or residential property taken in whole or in part as collateral for a commercial
29 loan.

30 (b) There shall be a foreclosure mediation program administered by the Massachusetts
31 Office of Public Collaboration at the University of Massachusetts at Boston to be offered to
32 borrowers and creditors, by agreement.

33 (c) A creditor shall, concurrently with the notice sent to the borrower of residential
34 property under section 35A, give notice to the borrower of the borrower's right to participate in
35 the foreclosure mediation program by attaching to the right to cure default notice: (i) notice of
36 the availability of foreclosure mediation, in such form as the Massachusetts Office of Public
37 Collaboration prescribes; and (ii) a foreclosure mediation request form, in such form as the
38 Massachusetts Office of Public Collaboration prescribes. A borrower electing to participate in
39 foreclosure mediation shall submit the foreclosure mediation request form to the creditor not
40 more than 15 days after receipt of the notice.

41 (d) An in-person mediation session shall be conducted by a neutral third-party mediator
42 between the borrower, the borrower's representative or housing counselor and the creditor's
43 representative, who shall have the authority to negotiate an alternative to foreclosure including,
44 but not limited to: (i) a modified mortgage loan; (ii) a reduction in principal; (iii) a reduction in
45 interest rate; or (iv) an increase in the amortization period of the mortgage loan; provided,
46 however, that an alternative form of meeting may be mutually agreed upon by the mortgagor, the
47 mortgagee and the mediator. The creditor may remotely attend the mediation session by phone or
48 video conferencing; provided, that the creditor's representative or counsel shall attend the
49 mediation session in person.

50 (e) If a borrower elects to participate in the foreclosure mediation program, a creditor
51 shall not accelerate the note or otherwise initiate foreclosure proceedings unless the mediator has
52 certified that the creditor participated in the foreclosure mediation program in good faith and
53 made all reasonable efforts to find an alternative to foreclosure and any agreement is in full
54 compliance with all state and federal guidelines.

55 (f) The borrower's or creditor's rights or defenses in the foreclosure action shall not be
56 waived by participating in the foreclosure mediation program.

57 (g) Nothing in this section shall require a creditor to modify a mortgage or change the
58 terms of payment of a mortgage.