**The 194th General Court of the Commonwealth of Massachusetts**

**2025-2026**

**Bill Summary**

**Bill No:** H1146

**Title:** AN ACT TO ESTABLISH A RESOLUTION TRUST FUND FOR RECEIPT OF REASONABLE MORTGAGE PAYMENTS

**Sponsor:** Representative Michelle Dubois

**Committee:** Financial Services

**Hearing Date:** April 15, 2025

**Reporting Date:** June 14th, 2025

**Similar Matters:**

**Prior History:** 2023-2024 H3953 Study

**Current Law:**
**2**09 CMR 40.00: Unfair and Deceptive Practices in Consumer Transactions

40.01: Purpose and Scope

(1) **Purpose.** Unfair or deceptive acts or practices in or affecting consumer transactions are unlawful under M.G.L. c. 167, § 2A. In addition, predatory home loan practices are prohibited under M.G.L. c. 183C. Mass.gov+3Mass.gov+3Mass.gov+3

(2) **Scope.** 209 CMR 40.00 applies to any bank, any Massachusetts or out-of-state branch, and any association or corporation chartered and authorized to do a banking business by a state of the United States other than the Commonwealth, by the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or by a country other than the United States. Mass.gov+2Mass.gov+2Mass.gov+2

**Summary:**
This bill proposes the creation of a publicly owned and administered Resolution Trust Fund to address the long-term economic and social consequences of predatory lending and mortgage foreclosures in Massachusetts. The bill recognizes that such lending practices have damaged the state's economy, reduced local tax bases, harmed consumers, and complicated the chain of title for many properties.

## Key Provisions:

- Creation of the Resolution Trust Fund, managed by the State Treasurer, to receive residential mortgage loans and payments where the mortgagee or note owner cannot be identified.

- The fund can modify predatory mortgage loans to align with traditional prime lending standards, such as fixed rates and fair terms.
- The fund will service the loans, escrow taxes and insurance, and assist homeowners at risk of foreclosure.
- Proceeds from loan payments and property sales will be reinvested into the fund, which may retain up to 15% for administrative costs.
- In cases of foreclosure, the Commonwealth may take ownership and sell properties, with proceeds returning to the fund.
- A portion of fund revenue will support community empowerment and affordable housing initiatives, with preference given to areas heavily impacted by foreclosures.
- The Treasurer must conduct public hearings, solicit community input, and annually report on fund activities and impacts to the Legislature.