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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO PROPERTY -- MORTGAGE AND FORECLOSURE SALE

Introduced By: Senators Metts, Jabour, and Pichardo

Date Introduced: February 16, 2011

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 34-27 of the General Laws entitled "Mortgage Foreclosure and
2 Sale" is hereby amended by adding thereto the following section:

3 **34-27-7. Maintenance of vacant residential property.** – (a) A mortgagee that serves a
4 notice of intention to foreclose on a mortgage on residential property in this state pursuant to this
5 chapter, shall serve the municipal clerk of the city or town in which the property is located with a
6 copy of the notice at the same time that the mortgagee serves the notice on the mortgagor of the
7 property. The mortgagee shall include the full name and contact information of a person located
8 within the state who is authorized to accept service on behalf of the mortgagee with the copy of
9 the notice served on the municipal clerk.

10 (b) If the residential property becomes vacant at any time after the mortgagee files the
11 notice of intention to foreclose, but prior to vesting of title in any third-party, and the municipality
12 determines that the property is in violation of any applicable state or local housing code, the
13 municipality may notify the mortgagee of the violation, by providing a copy of the notice to the
14 person located within the state who is authorized to accept service on behalf of the mortgagee,
15 and may require the mortgagee to correct the violation.

16 (c) A municipality that requires a mortgagee to correct a violation pursuant to this section
17 shall include a description of the conditions that gave rise to the violation with the notice of
18 violation and shall provide a period of not less than thirty (30) days from the mortgagee's receipt
19 of the notice for the mortgagee to remedy the violation. If the mortgagee fails to remedy the

1 violation within that time period, the municipality may impose penalties allowed for the violation
2 of municipal ordinances.

3 (d) Any violation of this chapter shall be considered a violation of chapters 10-1 and 34-
4 44.

5 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would require mortgagees, upon filing a notice of intent to foreclose against a
2 mortgagor, to file a copy of that notice with the city or town municipal clerk and appoint an agent
3 for service of process within the State of Rhode Island. Further, the act would require a
4 mortgagee who initiates a foreclosure proceeding against a residential property located in the
5 municipality to maintain the property if the municipality determines that the property is in
6 violation of state and local housing codes if and when the property becomes vacant during the
7 foreclosure proceeding.

8 This act would take effect upon passage.

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