

October 13, 2016



# Maryland's Office of the Commissioner of Financial Regulation

## Foreclosure Information for Maryland Municipal League – Fall 2016

### Presentation Topics

- ✓ About the Office of the Commissioner of Financial Regulation (OCFR)
- ✓ Summary of Residential Foreclosure Process in Maryland
- ✓ Resources for Researching Foreclosed Properties
- ✓ Description of Maryland's Foreclosed Property Registry

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# Office of the Commissioner of Financial Regulation (OCFR)

## MISSION STATEMENT:

To ensure that the citizens of Maryland are able to conduct their financial transactions in **safe, reliable and well-managed institutions**, while providing a flexible, yet sound regulatory environment that **promotes fair competition, encourages innovative business development**, and supports the economy of Maryland.



# Overview of OCFR

- The **Office of the Commissioner of Financial Regulation (OCFR)** is a division within the Maryland Department of Labor, Licensing & Regulation.
- OCFR is the **primary regulator of state-chartered banks**, credit unions and trust companies, as well as **state-licensed financial services** businesses (including, but not limited to, mortgage lenders, brokers, servicers, and loan originators).
- OCFR conducts **periodic examinations** of entities subject to its supervision.
- OCFR responds to **consumer complaints**, and undertakes **enforcement actions** to ensure compliance with state and federal law.



# OCFR and Foreclosure

- In addition to its supervisory responsibilities, OCFR is **tasked by the state legislature with certain functions** involving the process for foreclosing on residential real property.
- These functions are:
  - **Promulgating regulations**, including prescribing the forms used by secured party throughout foreclosure process
  - Enforcement jurisdiction over certain statutes that **protect homeowners from foreclosure scams** and fraud
  - Administration and maintenance of the **Maryland Foreclosed Property Registry**



# Residential Mortgage Foreclosure Process in Maryland (parts 1 & 2)

Please be aware this is a **SUMMARY** of the foreclosure process. Some details are excluded for simplicity.

## 1) Notice of Intent to Foreclose (NOI)

- Warning notice to borrower that secured party/servicer may file a foreclosure action in court
- Must be sent no less than 45 days before a foreclosure action is filed in court
- Includes *Loss Mitigation Application*

## 2) Order to Docket (OTD)

- First filing of the foreclosure action in court – may also be called “Complaint to Foreclose” or “Notice of Foreclosure Action”
- Can be filed as soon as 90 days (or 120 days if covered by federal law) after missed payment
- Includes a *Loss Mitigation Affidavit* – Preliminary or Final



# Residential Mortgage Foreclosure Process (continued—parts 3 & 4)

Please be aware this is a **SUMMARY** of the foreclosure process. Some details are excluded for simplicity.

## 3) Final Loss Mitigation Affidavit

- Affidavit signed by representative of foreclosing entity that all available foreclosure alternatives have been considered
- If borrower is an eligible owner-occupant, will include a *Request for Mediation* form

## 4) Foreclosure Mediation (if requested by homeowner)

- Mediation is an in-person hearing between homeowner, representative for foreclosing entity, and neutral third-party (administrative law judge) to review alternatives
- To have a mediation hearing, homeowner must submit request form to court within 25 days of receipt/or mailing; the hearing will be held within 60 days of request



# Residential Mortgage Foreclosure Process (continued—part 5)

Please be aware this is a **SUMMARY** of the foreclosure process. Some details are excluded for simplicity.

## 5) Foreclosure Sale and Eviction

- Also referred to as “foreclosure auction”, is when the foreclosing entity buys or sells the property secured by the mortgage loan
- Can occur as soon as 30 or 45 days after Final Loss Mitigation Affidavit is received; or if mediation is held, as soon as 15 days after mediation hearing (if no resolution reached)
- After the sale, the borrower has 30 days from the date of a Report of Sale to file an objection in court. If no objections are filed (or if they are overruled by the judge) then the court will ratify the sale. Ratification is necessary before title transfers to the purchaser.
- A homeowner can be evicted from the property as soon as 15 days after court ratification. Tenant-occupants may have the right remain in the property for the duration of their lease or 90 days, depending on their situation.



# Researching Foreclosed Properties

- **SDAT Real Property Data Search**

<http://sdat.resiusa.org/RealProperty/>

- Search by property address to identify owner

- **Maryland Judiciary Case Search**

<http://casesearch.courts.state.md.us/casesearch/>

- Search by borrower name for civil case filing to identify foreclosing party's agent (law firm), date documents were filed, and to determine stage of foreclosure

NOTE: Will not be able to view the documents

- **Maryland Land Records** <https://mdlandrec.net/main/>

- Search by name (individual or company) for Deeds or Deeds of Trust to identify parties with interest in property





# Researching Foreclosed Properties (continued)

- ***The Daily Record* public notices**

<http://publicnotices.thedailyrecord.com/>

- Search auction notices published in *The Daily Record* newspaper within past 90 days

NOTE: May need paid subscription and notice may not have been published in *The Daily Record*

- **Maryland Foreclosed Property Registry**

- Administered and maintained by OCFR
- Not publicly-available – is only accessible to local governments; some property-specific information *may* be shared with certain parties



## Foreclosed Property Registry: Background and Purpose

- State-managed tool for local jurisdictions to combat foreclosure-related blight and public safety issues in residential communities
- Recommendation from **Maryland Foreclosure Task Force Report (January 2012)** to create statewide centralized Foreclosed Property Registry
  - “allow government officials to better locate and communicate with parties who have an interest in maintaining the condition of the foreclosed property”
  - “during the ‘limbo period’ – defined... as that period of time between a foreclosure auction and the recordation of the property deed”
  - “Access by local agencies responsible for housing codes, tax/lien collection and public safety, health and environmental matters.”
- Registry legislation enacted during 2012 General Assembly Session ([Real Property §14–126.1](#)) – **effective October 2012**



# Foreclosed Property Registry: Registration Process

- Purchaser receives handout from auctioneer with registration requirement and website link
- Purchaser required to create an account and register the property **within 30 days of the foreclosure sale.**  
**Initial registration** requires purchasers to enter:
  - Property information: full address, single-family/multi-family/unknown, vacant/not vacant/unknown, in possession/not in possession/unknown
  - Date of foreclosure sale
  - Purchaser name, address, email, phone
  - Entity accepting legal service name, address, email, phone
  - Maintenance company name, address, email, phone
- Fee is \$50; fee is \$100 if registration is over 30 days from sale



## Foreclosed Property Registry: Registration Process (continued)

- Purchaser required to log in to account and complete **final registration within 30 days of deed recordation**. Information entered:
  - Owner on deed name, address, email, phone
  - Date sale was ratified
  - Date deed was recorded
- No fee is paid at this stage (only initial registration)
- Refunds are prohibited, per statute
- Registrations are not deleted or removed





## Foreclosed Property Registry: Accessing Registry Data

- Access may be granted *only* to Maryland county and municipal staff, city and county elected officials, and State agencies.
- **Access must be approved by OCFR first.** Current process is:
  - 1) Individual requestor creates account through website as “Export User”
  - 2) OCFR receives auto-email with request.
    - If individual *does not* represent local or state government agency, OCFR sends reply email explaining denial of access
    - If individual *does* represent local or state government agency, OCFR replies with instructions to individual to submit signed letter of request on agency letterhead; letter must include attestation of authorization
  - 3) Approval is granted in Registry system after this letter is received
  - 4) Individual may now log in to the system as needed to search and download Registry data



## Foreclosed Property Registry: Obtaining Property-Specific Data

- Per statute, the Registry “is **not a public record**”.  
OCFR, or a jurisdiction with access, may only provide property-specific information to the following parties:
  - A **person who owns property on the same block**; or
  - A **homeowners association or condominium** in which the property is located.
- OCFR’s current process for providing property-specific information:
  - 1) Property owner or HOA/condo contacts OCFR for information.
  - 2) OCFR requests documentation from requester to verify eligibility.
  - 3) After receipt and review of documentation, OCFR mails requested information to address given on signed written request.



## Foreclosed Property Registry: Compliance and Enforcement

- **Authority over nuisance properties** and code violations is unchanged by the statute – it **remains with local jurisdictions.**
- The Registry **statute gives local jurisdictions the authority to enforce compliance** with the registration requirement.
  - Jurisdictions may enact a local ordinance that imposes a civil penalty for failure to register, not to exceed \$1,000.
- The Registry **statute allows local jurisdictions to recoup some of the costs** spent on nuisance properties.
  - Jurisdictions may collect the cost associated with abatement as a charge on the property tax bill, with proper written notice.



# Registry Numbers

- Number of registrations per fiscal year:

FY 13	FY 14	FY 15	FY 16	TOTAL
4,629*	15,628	17,228	14,985	52,470

\*Registry went into effect October 2012

- Percent of initial registrations submitted within 30-day deadline, through FY16: **72%**
- Number of local/state government users added in FY16: **61**
- Total number of local/state government users through FY16: **238**

# Contact Us

For access to the Maryland Foreclosed Property Registry, visit the website at [www.dlr.state.md.us/ForeclosureRegistry/](http://www.dlr.state.md.us/ForeclosureRegistry/) to register as an Export User.

Questions? Email [DLForeclosureOutreach-DLLR@maryland.gov](mailto:DLForeclosureOutreach-DLLR@maryland.gov)



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