

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS SENATE
STATE HOUSE, BOSTON 02133-1053

Anne M. Gobi
STATE SENATOR

Worcester, Hampden,
Hampshire & Middlesex

Tel. (617) 722-1540

Fax (617) 722-1078

E-Mail: Anne.Gobi@masenate.gov

PRESS RELEASE

FOR IMMEDIATE RELEASE:

Thursday, September 17, 2015
1540

CONTACT: Brian Ferrarese

PHONE: 617-722-

Sen. Anne Gobi, Senate Pass Bill to Protect Homeowners

BOSTON – Senator Anne M. Gobi (D-Spencer) and her Senate colleagues passed legislation that works to restore the titles of foreclosed properties after thousands of foreclosure sales in Massachusetts were determined to be void as the result of state Supreme Judicial Court decisions.

The legislation provides legislative relief for Massachusetts residents who have purchased foreclosed properties or purchased homes where there were prior foreclosures in the chain of title. Currently, when these owners attempt to sell or refinance their home, they learn that their titles are void according to interpretations of the law by the state's highest court.

"I appreciate Senator Mike Moore's leadership on this important bill," said Senator Gobi. "Many people have lost their homes due to foreclosures and knowing that they have recourse in gaining clear title is critical."

"This legislation ensures that thousands of foreclosed property owners are protected under the law," said bill sponsor Senator Michael O. Moore (D-Millbury). "The Senate has deliberatively approached a legislative response to an issue that has negatively impacted residents across our Commonwealth."

The state Supreme Judicial Court ruled that a foreclosure is void if the foreclosing lender could not produce a written assignment of its mortgage prior to the first publication of notice. If this occurred at any time in the chain of the title, the current purchaser of the property is left without a clear title as a result.

This bill allows the affidavit that is recorded during the resale of the property to serve as conclusive evidence that the foreclosing lender is in compliance unless the foreclosure has been challenged within three years of

its recording. Under current law, the affidavit can be rebutted by other evidence that shows the foreclosing lender was not in compliance.

This bill provides a reasonable timeframe for those who have been improperly foreclosed on to assert their rights. The legislation also enables foreclosed homeowners to pursue actual and punitive damages against lenders who engaged in deceptive foreclosure practices.

The bill now goes before the House of Representatives for consideration.

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