

1                                   A bill to be entitled  
 2           An act relating to mortgage foreclosure; providing a  
 3           short title; providing for automatic stay of  
 4           foreclosure proceedings concerning an owner-occupied  
 5           residential property upon submission of proof that the  
 6           owner is currently receiving unemployment compensation  
 7           benefits; providing for remedies in a foreclosure  
 8           proceeding concerning a residential property upon a  
 9           finding that the holder of the mortgage or any  
 10          corporation hired to service or collect payments on  
 11          the mortgage has engaged in any fraudulent or bad  
 12          faith act in relation to the mortgage; amending s.  
 13          702.06, F.S.; prohibiting deficiency judgments  
 14          following foreclosures of homestead property;  
 15          providing an effective date.

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 17 Be It Enacted by the Legislature of the State of Florida:

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 19           Section 1. This act may be cited as the "Protecting  
 20 Florida's Middle Class from Wall Street Act."

21           Section 2. Any other provision of law notwithstanding, any  
 22 foreclosure proceeding concerning an owner-occupied residential  
 23 property shall automatically be stayed for a period of 120 days  
 24 after the filing of proof by a mortgagor that he or she is  
 25 currently receiving unemployment compensation benefits.

26           Section 3. In a foreclosure proceeding concerning a  
 27 residential property, upon a finding by a court that the holder  
 28 of the mortgage or any corporation hired to service or collect

29 payments on the mortgage has engaged in any fraudulent or bad  
 30 faith act in relation to the mortgage, the court shall:

31 (1) (a) Modify the terms of the mortgage to reduce the  
 32 principal amount of the mortgage to the prior calendar year  
 33 valuation by the property appraiser in the county where the  
 34 property is located, plus 20 percent; or

35 (b) Allow the foreclosure to proceed upon payment by the  
 36 mortgagor to the mortgagee in an amount equal to the initial  
 37 principal down payment paid by the mortgagee pursuant to the  
 38 mortgage being foreclosed upon.

39 (2) Award attorney fees and costs, in addition to a civil  
 40 penalty equal to twice the amount owed on the mortgage, to the  
 41 mortgagor.

42 Section 4. Section 702.06, Florida Statutes, is amended to  
 43 read:

44 702.06 Deficiency decree; common-law suit to recover  
 45 deficiency; homestead exception.-

46 (1) Except as provided in subsection (2), in all suits for  
 47 the foreclosure of mortgages heretofore or hereafter executed  
 48 the entry of a deficiency decree for any portion of a  
 49 deficiency, should one exist, shall be within the sound judicial  
 50 discretion of the court, but the complainant shall also have the  
 51 right to sue at common law to recover such deficiency, provided  
 52 no suit at law to recover such deficiency shall be maintained  
 53 against the original mortgagor in cases where the mortgage is  
 54 for the purchase price of the property involved and where the  
 55 original mortgagee becomes the purchaser thereof at foreclosure  
 56 sale and also is granted a deficiency decree against the

HB 1453

2012

57 original mortgagor.

58 (2) Subsection (1) does not apply to any property that is  
59 a homestead pursuant to s. 6, Art. VII of the State  
60 Constitution. Any other provision of law notwithstanding, a  
61 deficiency decree may not be entered against such property in  
62 any foreclosure action and no other action may be maintained to  
63 recover a deficiency following foreclosure on such a property.

64 Section 5. This act shall take effect July 1, 2012.