

**SENATE . . . . . No. 931**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***James B. Eldridge***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

**An Act preventing unnecessary vacancies in foreclosed homes.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>1/28/2019</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>1/31/2019</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>1/31/2019</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>	<i>2/1/2019</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>2/1/2019</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>	<i>2/1/2019</i>

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By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 931) of James B. Eldridge, Mike Connolly, Mary S. Keefe, Denise Provost and other members of the General Court for legislation to prevent unnecessary vacancies in foreclosed homes. The Judiciary.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 841 OF 2017-2018.]

**The Commonwealth of Massachusetts**

\_\_\_\_\_  
In the One Hundred and Ninety-First General Court  
(2019-2020)  
\_\_\_\_\_

An Act preventing unnecessary vacancies in foreclosed homes.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to protect citizens of the Commonwealth involved in the mortgage foreclosure crisis, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter 186A of the General Laws is hereby amended by striking out  
2 sections 1 and 2 in their entirety and inserting in place thereof the following:-

3 Section 1. (a) As used in this chapter, the following words shall, unless the context  
4 clearly requires otherwise, have the following meanings:—

5 "Entity", a business organization, or any other kind of organization including, without  
6 limitation, a corporation, partnership, trust, limited liability corporation, limited liability

7 partnership, joint venture, sole proprietorship or any other category of organization and any  
8 employee, agent, servant or other representative of such entity.

9 "Eviction", an action, without limitation, by a foreclosing owner of a housing  
10 accommodation which is intended to actually or constructively evict a tenant or otherwise  
11 compel a tenant to vacate such housing accommodation.

12 "Fair Market Rent," an amount equal to that established by the United States Department  
13 of Housing and Urban Development pursuant to 42 U.S.C. section 1437f(c), as it exists or may  
14 be amended, for a unit of comparable size in the area in which the property is located.

15 "Foreclosing owner", an entity that holds title in any capacity, directly or indirectly,  
16 without limitation, whether in its own name, as trustee or as beneficiary, to a housing  
17 accommodation that has been foreclosed upon and either: (1) held or owned a mortgage or other  
18 security interest in the housing accommodation at any point prior to the foreclosure of the  
19 housing accommodation or is the subsidiary, parent, trustee, or agent thereof; or (2) is an  
20 institutional mortgagee that acquires or holds title to the housing accommodation within 3 years  
21 of the filing of a foreclosure deed on the housing accommodation; or (3) is the Federal National  
22 Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Deposit  
23 Insurance Corporation.

24 "Foreclosure", a legal proceeding to terminate a mortgagor's interest in property,  
25 instituted by the mortgagee, and regulated under chapter 244.

26 "Foreclosure Sale Purchaser" or "purchaser", either a foreclosing owner or a person or  
27 entity which purchases a housing accommodation from a foreclosing owner, not intending to

28 reside or have a family member reside in such housing accommodation as the primary residence  
29 of such person or individual in control of such entity.

30 "Housing accommodation", a building or structure, or part thereof or land appurtenant  
31 thereto, and any other real or personal property used, rented or offered for rent for living or  
32 dwelling purposes, together with all services connected with the use or occupancy of such  
33 property.

34 "Institutional mortgagee", an entity or an entity which is the subsidiary, parent, trustee or  
35 agent thereof or otherwise related to such entity, that holds or owns mortgages or other security  
36 interests in 3 or more housing accommodations or that acts as a mortgage servicer of 3 or more  
37 mortgages of housing accommodations.

38 "Just cause", 1 of the following: (1) the tenant has failed to pay the rent in effect prior to  
39 the foreclosure or, in the case of the former mortgagor and any household members, monthly  
40 rent payments in an amount agreed to by the mortgagor and purchaser or, in the absence of such  
41 agreement, a Fair Market Rent as long as the foreclosure sale purchaser notified the tenant in  
42 writing of the amount of rent, the agreed upon monthly rent payments or Fair Market Rent that  
43 was to be paid and to whom it was to be paid; (2) the tenant has materially violated an obligation  
44 or covenant of the tenancy or occupancy, other than the obligation to surrender possession upon  
45 proper notice, and has failed to cure such violation within 30 days after having received written  
46 notice thereof from the foreclosing owner; (3) the tenant is committing a nuisance in the unit, is  
47 permitting a nuisance to exist in the unit, is causing substantial damage to the unit or is creating a  
48 substantial interference with the quiet enjoyment of other occupants; (4) the tenant is using or  
49 permitting the unit to be used for any illegal purpose; (5) the tenant who had a written bona fide

50 lease or other rental agreement which terminated, on or after August 10, 2010, has refused, after  
51 written request or demand by the foreclosing owner, to execute a written extension or renewal  
52 thereof for a further term of like duration and in such terms that are not inconsistent with this  
53 chapter; (6) the tenant has refused the foreclosing owner reasonable access to the unit for the  
54 purpose of making necessary repairs or improvement required by the laws of the United States,  
55 the commonwealth or any subdivision thereof, or for the purpose of inspection as permitted or  
56 required by agreement or by law or for the purpose of showing the unit to a prospective  
57 purchaser or mortgagee provided. Nothing in the section shall limit the rights of a third-party  
58 owner to evict a tenant at the expiration of an existing lease.

59 "Mortgagee", an entity to whom property is mortgaged, the mortgage creditor or lender  
60 including, but not limited to, mortgage servicers, lenders in a mortgage agreement and any agent,  
61 servant or employee of the mortgagee or any successor in interest or assignee of the mortgagee's  
62 rights, interests or obligations under the mortgage agreement.

63 "Mortgage servicer", an entity which administers or at any point administered the  
64 mortgage; provided, however that such administration shall include, but not be limited to,  
65 calculating principal and interest, collecting payments from the mortgagor, acting as escrow  
66 agent or foreclosing in the event of a default.

67 "Tenant", a person or group of persons who at the time of foreclosure is an occupant of  
68 such housing accommodation. A person who moves into the housing accommodation owned by  
69 the foreclosure sale purchaser, subsequent to the foreclosure sale, without the express written  
70 permission of the foreclosure sale purchaser shall not be considered a tenant under this chapter.

71 "Unit" or "residential unit", the room or group of rooms within a housing accommodation  
72 which is used or intended for use as a residence by 1 household.

73 Section 2. Notwithstanding any general or special law to the contrary, When a mortgage  
74 of real estate is foreclosed by a sale under a power contained therein, or otherwise, a foreclosure  
75 sale purchaser having a valid title to such estate, shall not evict a tenant except for just cause or  
76 unless a binding purchase and sale agreement has been executed for a bona fide third party to  
77 purchase the housing accommodation from a foreclosure sale purchaser.

78 SECTION 2. Said chapter 186A of the General Laws, as appearing in the 2016 Official  
79 Edition, is hereby further amended in sections 3,4,5, and 6 by striking out each appearance of the  
80 words "foreclosing owner" and inserting in place thereof the following words:- foreclosure sale  
81 purchaser.

82 SECTION 3. Section 3 of said chapter 186A of the General Laws, as so appearing, is  
83 hereby amended by striking out the first sentence and inserting in place thereof the following  
84 sentence:- Within 30 days of the foreclosure, the foreclosure sale purchaser shall post in a  
85 prominent location in the building a written notice stating the names, addresses, telephone  
86 numbers and telephone contact information of the foreclosure sale purchaser, the building  
87 manager or other representative of the foreclosure sale purchaser responsible for the management  
88 of such building and stating the address to which the rent, or, in the case of the former mortgagor  
89 and any household members, the agreed upon monthly rent payments or Fair Market Rent shall  
90 be sent.

91 SECTION 4. Section 4 of said chapter 186A of the General Laws, as so appearing, is  
92 hereby amended in subsection (a) by striking out clause (i) and inserting in place thereof the  
93 following clause:-

94 (i) the tenant has failed to pay the rent in effect prior to the foreclosure or, in the case of  
95 the former mortgagor and any household members, the agreed upon monthly rent payments or  
96 Fair Market Rent, as long as the foreclosing owner notified the tenant in writing of the amount of  
97 rent that was to be paid and to whom it was to be paid;

98 SECTION 5. Section 5 of said chapter 186A of the General Laws, as so appearing, is  
99 hereby amended by striking out the second sentence and inserting in place thereof the following  
100 sentence:-

101 A bona fide lease between the foreclosed-upon owner and the lessee or proof of rental  
102 payment to the foreclosed-upon owner or a Fair Market Rent shall be presumed reasonable.

103 SECTION 6. Section 6 of said chapter 186A of the General Laws, as so appearing, is  
104 hereby amended by striking out the first paragraph and inserting in place thereof the following  
105 paragraph:-

106 A foreclosure sale purchaser that evicts a tenant in violation of this chapter or any  
107 ordinance or by-law adopted pursuant to this chapter, shall be punished by penalty of not less  
108 than \$5,000 to be paid to the tenant upon order of the court. Each such illegal eviction shall  
109 constitute a separate offense.

110 SECTION 7. Chapter 186 of the General Laws is hereby amended by striking out section  
111 3 in its entirety and inserting in place thereof the following:-

112           As previous tenants at will or under lease and given no challenge to title of a new  
113 purchaser, tenants at sufferance in possession of land or tenements shall be liable to pay rent  
114 therefor for such time as they may occupy or detain the same.

115           SECTION 8. Section 13 of said Chapter 186 of the General Laws, as so appearing, is  
116 hereby amended by inserting, in line 18, after the word “foreclosure” the following;- “shown to  
117 be valid.”

118           SECTION 9. Section 6 of Chapter 239 of the General Laws, as so appearing is hereby  
119 amended by striking the first sentence and inserting in place thereof the following:-

120           If the action is for the possession of land after foreclosure of a mortgage thereon by a sale  
121 under a power contained therein, or otherwise, and the person having a valid title to such estate,  
122 the condition of the bond shall be for the entry of the action and payment to the plaintiff, if final  
123 judgment is in his favor, of all costs and of a reasonable amount as rent of the land from the day  
124 when the mortgage was foreclosed until possession of the land is obtained by the plaintiff.