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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

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A N A C T

RELATING TO PROPERTY - FRAUDULENT FORECLOSURES THROUGH STATUTORY  
ADVERTISING

Introduced By: Representatives Lima, Trillo, Blazejewski, and Marcello

Date Introduced: March 02, 2011

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 34-11 of the General Laws entitled "Form and Effect of  
2 Conveyances" is hereby amended by adding thereto the following section:

3 **34-11-22.1. Limitations on foreclosures by advertising.** -- (a) The statutory power of  
4 sale by advertising shall be exercised only by the person or entity which owns the mortgage note  
5 secured by the mortgage deed, whose name appears simultaneously on the recorded mortgage  
6 deed, on the mortgage note and in the newspaper advertisements proposing foreclosure, and  
7 whose owner otherwise has a clear chain of recorded title.

8 (b) Any other entity or person seeking to foreclose the equity of redemption in any real  
9 estate parcel shall only foreclose through judicial proceedings as otherwise provided in chapter  
10 34-26.

11 (c) No entity or person shall be permitted to act as a mortgagee by nomination if such  
12 entity or person does not own the mortgage note being secured by the mortgage deed.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO PROPERTY - FRAUDULENT FORECLOSURES THROUGH STATUTORY  
ADVERTISING

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- 1           This act would prohibit foreclosures by newspaper advertisement by those who are not
- 2   the actual owners of the promissory notes secured by the mortgage deeds.
- 3           This act would take effect upon passage.

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