

Impending Massachusetts Foreclosure Law Changes

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Please be advised that Massachusetts Governor Deval Patrick is expected to sign into law “House Bill 4934, an Act to Stabilize Neighborhoods” tomorrow, August 7, 2010. The new law will be effective immediately and provides mortgagors with a 150-day “right to reinstate” their mortgages before foreclosure proceedings can be started. The law replaces the prior 90-day “right to reinstate.” We have learned that the Massachusetts Division of Banks has opined that the new law will affect only mortgages in default where the 90-day “right to reinstate” letter has not been sent to a mortgagor. The Division of Banks is expected to post a written statement of its position as early as August 9, 2010. Thus, we advise lenders to mail out your 90-day “right to reinstate” letters today if possible.