

HOUSE No. 1796

The Commonwealth of Massachusetts

PRESENTED BY:

Bradford Hill

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 relative to the sale of foreclosed residential property to certain cities and towns.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

Bradford Hill

4th Essex

Michael J. Soter

8th Worcester

HOUSE No. 1796

By Mr. Hill of Ipswich, a petition (accompanied by bill, House, No. 1796) of Bradford Hill and Michael J. Soter for legislation to grant cities or towns the right of first refusal on foreclosed residential property. Municipalities and Regional Government.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1089 OF 2017-2018.]

The Commonwealth of Massachusetts

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

An Act relative to the sale of foreclosed residential property to certain cities and towns.

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. Subsection(f) of section 35A of chapter 244 of the General Laws, as
2 appearing in the 2016 Official Edition, is hereby amended by inserting after the word “banks”, in
3 line 299, the following words:- and with the city or town clerk where the residential property is
4 located, if the city or town has accepted section 35D.

5 SECTION 2. Said chapter 244 is hereby amended by inserting after section 35C the
6 following section:-

7 Section 35D. (a) In a city or town which accepts this section, a creditor shall not cause
8 publication of notice of a foreclosure sale, as required by section 14, upon certain mortgage loans
9 unless it has first offered the city or town an opportunity to purchase the residential property, but

10 no owner shall be under any obligation to enter into an agreement to sell such property to the city
11 or town.

12 (b) The city or town may select a designee to act on its behalf as purchaser of the
13 residential property and shall give the owner written notice of its selection. The city or town shall
14 enter into a written agreement with its selected designee providing that the designee, and any of
15 its successors or assigns, agree to restrict the residential property through an affordable housing
16 restriction, as defined in section 31 of chapter 184. Once such an agreement is executed, the
17 designee shall assume all rights and responsibilities attributable to the city or town as a
18 prospective purchaser. At any time prior to a sale, the city or town may revoke its designation
19 and assume the designee's rights and responsibilities, either in its own capacity or by selecting a
20 new designee; provided, however, that no change in a designation shall operate to extend or alter
21 any time periods for performance set forth in this section.

22 (c) The city or town may, within 90 days after it receives notice pursuant to subsection (f)
23 of section 35A, submit an offer to the creditor to purchase the residential property. Failure by the
24 city or town to submit a timely offer shall constitute an irrevocable waiver of the city or town's
25 rights pursuant to this section and the creditor may publish a notice of a foreclosure sale. If the
26 creditor accepts the city or town's initial or any revised offer, the creditor and the city or town
27 shall enter into such other agreements as are necessary and appropriate to complete the sale. If
28 the creditor and the city or town have not entered into an agreement to sell the property to the
29 city or town within 90 days after receipt of the notice pursuant to subsection (f) of section 35A,
30 the creditor may publish a notice of a foreclosure sale.