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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

A N A C T

RELATING TO PROPERTY - FRAUDULENT FORECLOSURES THROUGH STATUTORY
ADVERTISING

Introduced By: Representative Charlene Lima

Date Introduced: February 28, 2012

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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- 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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