

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 116th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1993

---

Legislative Document

No. 1584

H.P. 1187

House of Representatives, December 29, 1993

---

**An Act to Amend the Laws Governing Foreclosure of Mortgages.**

---

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.  
Received by the Clerk of the House on December 27, 1993. Referred to the Committee on  
Banking and Insurance and 1200 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MITCHELL of Vassalboro.  
Cosponsored by Representatives: CARLETON of Wells, HALE of Sanford, Senator:  
McCORMICK of Kennebec.

Be it enacted by the People of the State of Maine as follows:

2                   Sec. 1. 14 MRSA §6323, as amended by PL 1993, c. 373, §2, is  
4 further amended to read:

6                   **§6323. Sale following expiration of period of redemption**

8                   Upon expiration of the period of redemption, if the  
10 mortgagor, or the mortgagor's successors, heirs or assigns have  
12 not redeemed the mortgage, any remaining rights of the mortgagor  
14 to possession terminate, and the mortgagee shall cause notice of  
16 a public sale of the premises stating the time, place and terms  
18 of the sale to be published once in each of 3 successive weeks in  
20 a newspaper of general circulation in the county in which the  
22 premises are located; the first publication to be made not more  
24 than 90 days after the expiration of the period of redemption.  
26 The public sale must be held not less than 30 days nor more than  
28 45 days after the first date of that publication, must be held in  
30 the county in which the premises are located and may be  
32 adjourned, for any time not exceeding 7 days and from time to  
34 time until a sale is made, by announcement to those present at  
36 each adjournment. The mortgagee shall cause the notice of public  
38 sale to be mailed by ordinary mail to all parties to the  
40 foreclosure action prior to the first publication. The  
42 mortgagee, in its sole discretion, may allow the mortgagor to  
44 redeem or reinstate the loan after the expiration of the period  
46 of redemption but before the public sale. The mortgagee may  
48 convey the property to the mortgagor or execute a waiver of  
50 foreclosure and all other rights of all other parties remain as  
if no foreclosure had been commenced. The mortgagee shall sell  
the premises to the highest bidder at the public sale and deliver  
a deed of that sale to the purchaser. The deed must in fact  
serve to convey the premises free and clear of all interests of  
the parties in interest joined in the action. The mortgagee or  
any other party in interest may bid at the public sale. If the  
mortgagee is the highest bidder at the public sale, there is no  
obligation to account for any surplus upon a subsequent sale by  
the mortgagee. Any rights of the mortgagee to a deficiency claim  
against the mortgagors are limited to the amount established as  
of the date of the public sale. The date of the "public sale" is  
the date on which bids are received to establish the sales price,  
no matter when the sale is completed by the delivery of the deed  
to the highest bidder.

46                   **STATEMENT OF FACT**

48                   This bill amends the Maine Revised Statutes, Title 14,  
50 section 6323 to require that foreclosure auctions be held in the  
county in which the property to be foreclosed is located. It

2 also requires that a foreclosing mortgagee mail notice of the  
foreclosure sale to all parties to the action prior to the sale.  
4 Finally, it clarifies that a deed given to a purchaser at a  
foreclosure sale does in fact serve to convey the foreclosed  
6 property free and clear of all liens, encumbrances or other  
interests of the parties to the action.

8

10

12

14

---

This document has not yet been reviewed to determine the  
need for cross-reference, stylistic and other technical  
amendments to conform existing law to current drafting standards.