

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

SECOND REGULAR SESSION-1993

Legislative Document

No. 1602

S.P. 567

In Senate, December 29, 1993

**An Act to Require Disclosure of Minimum Bid Requirements at
Mortgage Foreclosure Sales.**

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.
Received by the Secretary of the Senate on December 29, 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 "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MARDEN of Kennebec.
Cosponsored by Senators: BEGLEY of Lincoln, CARPENTER of York, HARRIMAN of
Cumberland, KIEFFER of Aroostook.

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

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

§6323. Sale following expiration of period of redemption

Upon expiration of the period of redemption, if the mortgagor, or the mortgagor's successors, heirs or assigns have not redeemed the mortgage, any remaining rights of the mortgagor to possession terminate, and the mortgagee shall cause notice of a public sale of the premises stating the time, place and terms, including any requirement of a minimum bid, of the sale to be published once in each of 3 successive weeks in a newspaper of general circulation in the county in which the premises are located; the first publication to be made not more than 90 days after the expiration of the period of redemption. The public sale must be held not less than 30 days nor more than 45 days after the first date of that publication and may be adjourned, for any time not exceeding 7 days and from time to time until a sale is made, by announcement to those present at each adjournment. The mortgagee, in its sole discretion, may allow the mortgagor to redeem or reinstate the loan after the expiration of the period of redemption but before the public sale. The mortgagee may convey the property to the mortgagor or execute a waiver of 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 person who offers the highest bidder bid at or above any required minimum bid at the public sale and deliver a deed of that sale to the purchaser. The deed must 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.

STATEMENT OF FACT

This bill addresses the issue of sales of real estate by auction after foreclosure on a mortgage. It requires the

advertisement of the public sale of the real estate to state the
amount of any required minimum bid.

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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.