

1 A bill to be entitled
 2 An act relating to mortgage foreclosure; providing a
 3 short title; providing for automatic stay of
 4 foreclosure proceedings concerning an owner-occupied
 5 residential property upon submission of proof that the
 6 owner is currently receiving unemployment compensation
 7 benefits; providing for remedies in a foreclosure
 8 proceeding concerning a residential property upon a
 9 finding that the holder of the mortgage or any
 10 corporation hired to service or collect payments on
 11 the mortgage has engaged in any fraudulent or bad
 12 faith act in relation to the mortgage; amending s.
 13 702.06, F.S.; prohibiting deficiency judgments
 14 following foreclosures of homestead property;
 15 providing an effective date.

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 17 Be It Enacted by the Legislature of the State of Florida:

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 19 Section 1. This act may be cited as the "Protecting
 20 Florida's Middle Class from Wall Street Act."

21 Section 2. Any other provision of law notwithstanding, any
 22 foreclosure proceeding concerning an owner-occupied residential
 23 property shall automatically be stayed for a period of 120 days
 24 after the filing of proof by a mortgagor that he or she is
 25 currently receiving unemployment compensation benefits.

26 Section 3. In a foreclosure proceeding concerning a
 27 residential property, upon a finding by a court that the holder
 28 of the mortgage or any corporation hired to service or collect

29 payments on the mortgage has engaged in any fraudulent or bad
 30 faith act in relation to the mortgage, the court shall:

31 (1) (a) Modify the terms of the mortgage to reduce the
 32 principal amount of the mortgage to the prior calendar year
 33 valuation by the property appraiser in the county where the
 34 property is located, plus 20 percent; or

35 (b) Allow the foreclosure to proceed upon payment by the
 36 mortgagor to the mortgagee in an amount equal to the initial
 37 principal down payment paid by the mortgagee pursuant to the
 38 mortgage being foreclosed upon.

39 (2) Award attorney fees and costs, in addition to a civil
 40 penalty equal to twice the amount owed on the mortgage, to the
 41 mortgagor.

42 Section 4. Section 702.06, Florida Statutes, is amended to
 43 read:

44 702.06 Deficiency decree; common-law suit to recover
 45 deficiency; homestead exception.-

46 (1) Except as provided in subsection (2), in all suits for
 47 the foreclosure of mortgages heretofore or hereafter executed
 48 the entry of a deficiency decree for any portion of a
 49 deficiency, should one exist, shall be within the sound judicial
 50 discretion of the court, but the complainant shall also have the
 51 right to sue at common law to recover such deficiency, provided
 52 no suit at law to recover such deficiency shall be maintained
 53 against the original mortgagor in cases where the mortgage is
 54 for the purchase price of the property involved and where the
 55 original mortgagee becomes the purchaser thereof at foreclosure
 56 sale and also is granted a deficiency decree against the

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57 original mortgagor.

58 (2) Subsection (1) does not apply to any property that is
59 a homestead pursuant to s. 6, Art. VII of the State
60 Constitution. Any other provision of law notwithstanding, a
61 deficiency decree may not be entered against such property in
62 any foreclosure action and no other action may be maintained to
63 recover a deficiency following foreclosure on such a property.

64 Section 5. This act shall take effect July 1, 2012.