



SPONSOR: Sen. Marshall & Rep. Keeley  
Sens. McDowell, Henry, Blevins, Connor & Reps. Maier,  
Brady, Mulrooney, Plant, Kowalko, Williams

DELAWARE STATE SENATE  
144th GENERAL ASSEMBLY

SENATE BILL NO. 252

AN ACT TO AMEND TITLE 6 & 29 OF THE DELAWARE CODE RELATING TO FORECLOSURE PROTECTION  
FOR HOMEOWNERS

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members  
elected to each house thereof concurring therein):

Section 1. Amend Title 6 of the Delaware Code by adding a new Chapter 24B to read as follows:

“CHAPTER 24B. FORECLOSURE CONSULTANTS AND RECONVEYANCES.

SUBCHAPTER I. GENERAL PROVISIONS

§2400B. Short Title.

This chapter may be cited as the “Mortgage Rescue Fraud Protection Act.”

§2401B. Purpose.

The purpose of this chapter is to protect homeowners from unfair or deceptive practices by foreclosure consultants  
or through foreclosure reconveyance agreements.

§2402B. Definitions.

As used in this chapter, unless the context requires otherwise:

(1) ‘Foreclosure consultant’ means a person who:

- a. Solicits or contacts a homeowner in writing, in person, or through any electronic or  
telecommunications medium, and directly or indirectly makes a representation or offer to perform any service that the  
person represents will:
  - (i) Stop, enjoin, delay, void, set aside, annul, stay, or postpone a foreclosure sale;
  - (ii) Obtain forbearance from any mortgager servicer, mortgagee or mortgage assignee;
  - (iii) Assist the homeowner to exercise a right of reinstatement provided in the  
mortgage loan documents or to refinance a mortgage loan that is in foreclosure and for which an action to foreclose the  
mortgage has been filed;
  - (iv) Obtain an extension of the period within which the homeowner may reinstate the  
homeowner’s obligation or extend the deadline to object to a ratification;

(v) Obtain a waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a residence in foreclosure or contained in the mortgage;

(vi) Assist the homeowner to obtain a loan or advance of funds;

(vii) Avoid or ameliorate the impairment of the homeowner's credit resulting from an action to foreclose the mortgage or the conduct of a foreclosure sale;

(viii) Save the homeowner's residence from foreclosure;

(ix) Purchase or obtain an option to purchase the homeowner's residence in foreclosure within twenty days prior to the date advertised for a foreclosure sale;

(x) Arrange for the homeowner to become a lessee or renter entitled to continue to reside in the homeowner's residence in foreclosure;

(xi) Arrange for the homeowner to have an option to repurchase the homeowner's residence in foreclosure; or

(xii) Engage in any documentation, grant, conveyance, sale, lease, trust, or gift by which the homeowner limits or impairs the homeowner's equity of redemption in the homeowner's residence in foreclosure; or

b. Systematically contacts owners of property that court records or newspaper advertisements show are in foreclosure or in danger of foreclosure.

(2) 'Foreclosure consulting contract' means a written, oral, or equitable agreement between a foreclosure consultant and a homeowner for the provision of any foreclosure consulting service or foreclosure reconveyance.

(3) 'Foreclosure consulting service' includes:

a. Receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a residence in foreclosure;

b. Contacting creditors on behalf of a homeowner;

c. Arranging or attempting to arrange for an extension of the period within which a homeowner may cure the homeowner's default and reinstate the homeowner's obligation;

d. Arranging or attempting to arrange for any delay or postponement of the foreclosure sale of a residence in foreclosure;

e. Arranging or facilitating the purchase of a homeowner's equity of redemption or legal or equitable title in the homeowner's residence in foreclosure within twenty days prior to date advertised for a foreclosure sale;

52 f. Arranging or facilitating any transaction through which a homeowner will become a lessee,  
53 optionee, life tenant, partial owner, or vested or contingent remainderman of the homeowner's residence in foreclosure;  
54 g. Arranging or facilitating the sale of a homeowner's residence in foreclosure or the transfer of  
55 legal title, in any form, to another party as an alternative to foreclosure;  
56 h. Arranging for a homeowner to have an option to repurchase the homeowner's residence in  
57 foreclosure after its sale or transfer;  
58 i. Arranging for or facilitating a homeowner remaining in the homeowner's residence in  
59 foreclosure as a tenant, renter, or lessee; or  
60 j. Arranging or facilitating any other grant, conveyance, sale, lease, trust, or gift of the  
61 homeowner's residence in foreclosure.

62 (4) 'Foreclosure purchaser' means a person who acquires title or possession of a deed or other document  
63 transferring title to a residence in foreclosure as a result of a foreclosure reconveyance.

64 (5) 'Foreclosure reconveyance' means a transaction involving:

65 a. The transfer of title to a residence in foreclosure by a homeowner during or incident to a  
66 foreclosure proceeding, either by transfer of interest from the homeowner to another party or by creation of a mortgage,  
67 trust, or other lien or encumbrance that allows the acquirer to obtain legal or equitable title to all or part of the property; and

68 b. The subsequent conveyance, or promise of a subsequent conveyance, of an interest back to  
69 the homeowner by the acquirer, or a person acting in participation with the acquirer, that allows the homeowner to possess  
70 the real property following the completion of the foreclosure proceeding, including an interest in a contract for deed,  
71 purchase agreement, land installment sale, contract for sale, option to purchase, lease, trust, or other contractual  
72 arrangement.

73 (6) 'Homeowner' means an individual holding record title to real property used as the individual's  
74 principal place of residence as of the date on which an action to foreclose on that residence is filed.

75 (7) 'Primary housing expenses' means the total amount required to pay regular mortgage principal,  
76 mortgage interest, rent, utilities, hazard insurance, real estate taxes, and association dues on a property.

77 (8) 'Related person' for an individual, means the individual's parents, spouse, children (natural or  
78 adopted), and siblings of the whole or half blood; and for an entity, means a person who directly or indirectly or with  
79 another related person owns 5% or more of the equity in that entity.

80 (9) "Resale" means a bona fide market sale of property subject to a foreclosure reconveyance by the  
81 foreclosure purchaser to an unaffiliated third party.

(10) 'Resale price' means the gross sale price of a property on resale.

(11) 'Residence in foreclosure' means residential real property consisting of not more than four single family dwelling units, one of which is occupied by the owner as the individual's principal place of residence, and against which any type of foreclosure action has been filed.

(12) 'Settlement' means an in-person, face-to-face meeting with the homeowner to complete final documents incident to the sale or transfer of real property, or the creation of a mortgage or equitable interest in real property, conducted by a settlement agent who is not employed by, or an affiliate of, the foreclosure purchaser, during which the homeowner must be presented with a completed copy of the HUD-1 Settlement form.

§2403B. Exempt Agreements and Persons.

This chapter does not apply to:

(1) An individual admitted to practice law in this State, while performing any activity related to the individual's regular practice of law in this State;

(2) A person who holds, or is owed as an obligation secured by, a lien on any residence in foreclosure with respect to which the person performs services in connection with the obligation or lien, if the obligation or lien did not arise as a result of a foreclosure reconveyance;

(3) A person doing business under any law of this State or the United States, which law regulates banks, trust companies, savings and loan associations, credit unions, insurance companies-while performing services as part of the person's normal business activities.

(4) A person originating or closing a loan in a person's normal course of business if, as to that loan:

a. The loan is subject to the requirements of the federal 'Real Estate Settlement Procedures Act', 12 USC §§2601-2617; or

b. With respect to any second mortgage or home equity line of credit, the loan is subordinate to, and closed simultaneously with, a qualified first mortgage loan under subparagraph a. or is initially payable on the face of the note or contract to an entity included in paragraph (3);

(5) A judgment creditor of the homeowner, if the judgment creditor's claim accrued before the action to foreclose is filed;

(6) A title insurer authorized to conduct business in this State while performing title insurance services;

(7) A person licensed as a mortgage broker or lender under Title 5 of the Delaware Code while acting under the authority of that license;

(8) A person licensed as a real estate broker or real estate salesperson under the Delaware Code while engaging in any activity for which the person is licensed;

(9) A non-profit organization that offers counseling or advice to homeowners in foreclosure or loan default, if the organization is not directly or indirectly related to, and does not contract for services with, for-profit lenders or foreclosure purchasers;

(10) An organization that is licensed to practice debt management services under Chapter 24A of this title while the person engages in any activity for which the organization is licensed; or

(11) A public corporation, government or governmental subdivision, agency, or instrumentality.  
§2405B. Required Language.

The disclosures and documents required by this chapter must be in English. If a person communicates with an individual primarily in a language other than English, that person must furnish a translation into the other language of the disclosures and documents required by this chapter.

§2406B – §2412B. Reserved.

## SUBCHAPTER II. FORECLOSURE CONSULTANTS.

§2413B. Foreclosure Consulting Contract.

(a) A foreclosure consulting contract shall be in writing and provided to the homeowner, without changes, alterations, or modification, for review at least twenty-four hours before it signed by the homeowner.

(b) A foreclosure consulting contract shall be printed in at least twelve point type and shall include the name and address of the foreclosure consultant to which a Notice of Cancellation can be mailed and the date the homeowner signed the contract.

(c) A foreclosure consulting contract shall fully disclose the exact nature of the foreclosure consulting services to be provided and the total amount and terms of any compensation to be received by the foreclosure consultant.

(d) A foreclosure consulting contract shall be dated and personally signed, with each page being initialed, by both the homeowner of the residence in foreclosure and the foreclosure consultant and shall be witnessed and acknowledged by a notary public in the presence of the homeowner at the time the contract is signed by the homeowner.

(e) A foreclosure consulting contract shall contain the following notice, which shall be printed in at least fourteen point bold-face type, completed with the name of the foreclosure consultant, and located in immediate proximity to the space reserved for the homeowner's signature:

**‘NOTICE REQUIRED BY DELAWARE LAW**

[Name of foreclosure consultant] or anyone working for that company or individual CANNOT ask you to sign or have you sign any lien, mortgage or deed as part of signing this agreement unless the terms of the transfer or encumbrance are specified in this document and you are given a separate explanation of the precise nature of the transaction.

[Name of foreclosure consultant] or anyone working for that company or individual CANNOT guarantee you that they will be able to refinance your home or arrange for you to keep your home. Continue making mortgage payments until a refinancing, if applicable, is approved.

You may at any time cancel this contract, without penalty of any kind. If you want to cancel this contract, mail or deliver a signed and dated copy of the Notice of Cancellation, or any other written notice indicating your intent to cancel, to [name and address of the foreclosure consultant].

As part of any cancellation, you, the homeowner, must repay any money actually spent on your behalf by [name of foreclosure consultant] prior to receipt of this notice and as a result of this agreement, within sixty days, along with interest at the primary credit rate established by the United States Federal Reserve Board plus 2 percentage points, with the total interest rate not to exceed 8% per year.

**THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF YOUR HOME. CONTACT AN ATTORNEY FOR LEGAL ADVICE OR A HOUSING COUNSELOR APPROVED BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR OTHER OPTIONS WITH YOUR LENDER BEFORE SIGNING.'**

(f) A completed form in duplicate, entitled 'NOTICE OF CANCELLATION', shall accompany the foreclosure consulting contract. The Notice of Cancellation shall:

- (1) be on a separate sheet of paper attached to the contract;
- (2) be easily detachable; and
- (3) contain the following statement, printed in at least fourteen point type:

**'NOTICE OF CANCELLATION**

Date of Contract: [Contract date]

To: [Name of foreclosure consultant]

[Address of foreclosure consultant]

I hereby cancel this contract.

[Signature date] \_\_\_\_\_ [Homeowner's signature] \_\_\_\_\_.

(g) A notice of cancellation need not take the particular form specified in this subchapter or any form contained in any agreement with the foreclosure consultant, and is effective, however expressed, if it indicates the intention of the homeowner to cancel the foreclosure consulting contract.

(h) If a foreclosure reconveyance is included in a foreclosure consulting contract or arranged after the execution of a foreclosure consulting contract, the foreclosure purchaser shall provide the homeowner with a document entitled 'NOTICE OF RIGHT TO RESCIND TRANSFER OF DEED OR TITLE' in the form required under Subchapter III of this chapter.

(i) The foreclosure consultant shall provide to the homeowner a signed, dated, and acknowledged copy of the foreclosure consulting contract and the attached Notice of Cancellation immediately upon execution of the contract.

#### §2414B. Waiver of Rights.

Any provision in a foreclosure consulting contract that attempts or purports to waive the homeowner's rights under this chapter, consent to jurisdiction for litigation or choice of law in a state other than this State, consent to a venue in a county other than the county in which the property is located or impose any costs or filing fees greater than the actual costs and fees, is void.

#### §2415B. Prohibited Acts.

(a) A foreclosure consultant may not:

(1) Claim, demand, charge, collect, or receive any compensation until after the foreclosure consultant has fully performed each and every service the foreclosure consultant contracted to perform or represented that the foreclosure consultant would perform;

(2) Claim, demand, charge, collect, or receive any interest or any other compensation for any loan that the foreclosure consultant makes to the homeowner that exceeds 8% per year;

(3) Take any wage assignment, any lien, or any type of real or personal property, or other security to secure the payment of compensation;

(4) Receive any consideration from any third party in connection with foreclosure consulting services provided to a homeowner unless the consideration is first fully disclosed in writing to the homeowner;

(5) Acquire any interest, directly or indirectly, or by means of a related person, in a residence in foreclosure from a homeowner with whom the foreclosure consultant has contracted;

(6) Take any power of attorney from a homeowner to enter into a foreclosure consulting contract that does not comply in all respects with this subchapter; or

198 (7) Facilitate or engage in any transaction that is unconscionable under the terms and circumstances of  
199 the transaction.

200 (b) No person may engage in any of the activities identified in §2402B(1) or (3) of this chapter if such activities are  
201 prohibited by §910 of Title 11 of the Delaware Code.

202 (c) No person may engage in any of the activities identified in §2402B(1) or (3) of this chapter for which  
203 registration is required under Chapter 24 of this title, unless such person has registered and fulfilled all other applicable  
204 requirement of that chapter.

205 §2416B - §2422B. Reserved.

206 SUBCHAPTER III. FORECLOSURE RECONVEYANCES.

207 §2423B. Notice of Transfer of Deed or Title.

208 (a) If a foreclosure reconveyance is included in a foreclosure consulting contract or arranged after the execution  
209 of a foreclosure consulting contract, the foreclosure purchaser shall provide the homeowner with a document entitled  
210 ‘NOTICE OF TRANSFER OF DEED OR TITLE.’

211 (b) The ‘NOTICE OF TRANSFER OF DEED OR TITLE’ shall:

212 (1) Contain the entire agreement of the parties;

213 (2) Be printed in at least twelve point type;

214 (3) Be dated and personally signed, with each page being initialed by both the homeowner of the  
215 residence in foreclosure and the foreclosure purchaser and witnessed and acknowledged by a notary public in the presence  
216 of the homeowner at the time the contract is signed by the homeowner;

217 (4) Describe in detail the terms of any foreclosure reconveyance including:

218 a. The name, business address, telephone number, and facsimile number of the person to whom  
219 the deed or title will be transferred;

220 b. The address of the residence in foreclosure;

221 c. The total consideration to be given by the foreclosure purchaser, the foreclosure consultant,  
222 and any other party as a result of the transfer;

223 d. The time at which title is to be transferred to the foreclosure purchaser and the terms of any  
224 conveyance;

225 e. Any financial or legal obligations that the homeowner may remain subject to, including a  
226 description of any mortgages, liens, or other obligations that will remain in place;



f. A description of any services of any nature that the foreclosure purchaser will perform for the homeowner before or after the sale or transfer;

g. A complete description of the terms of any related agreement designed to allow the homeowner to remain in the home, including the terms of any rental agreement, repurchase agreement, contract for deed, land installment contract, or option to buy, and any provisions for eviction or removal of the homeowner in the case of late payment; and

h. How any repurchase price or fee associated with any transfer of title or deed back to the homeowner will be calculated; and

(5) Contain the following statement printed in at least fourteen point bold-face type and located in immediate proximity to the space reserved for the homeowner's signature:

**'If you change your mind about transferring ownership of your property, you, the homeowner, may cancel or rescind the transfer of the deed or title to your property at any time before midnight of the third business day that begins the day after you sign the deed or title.**

**To rescind this transaction, mail or deliver a signed and dated copy of the Notice of Rescission provided, or any other written notice indicating your intent to rescind, to [name of foreclosure purchaser] at [address of foreclosure purchaser].**

**THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF YOUR HOME. CONTACT AN ATTORNEY FOR LEGAL ADVICE OR A HOUSING COUNSELOR APPROVED BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR OTHER OPTIONS WITH YOUR LENDER BEFORE SIGNING'.**

(c) If a foreclosure reconveyance is included in a foreclosure consulting contract or arranged after the execution of a foreclosure consulting contract, the foreclosure purchaser shall provide the homeowner with a document entitled 'NOTICE OF RIGHT TO RESCIND TRANSFER OF DEED OR TITLE' which shall:

(1) Be on a separate sheet of paper attached to the Notice of Transfer of Deed or Title;

(2) Be easily detachable; and

(3) Contain the following statement printed in at least fourteen point type:

'NOTICE OF RIGHT TO RESCIND TRANSFER OF DEED OR TITLE

[Date]

You may cancel or rescind the transfer of ownership of your property through the transfer of a deed or title before midnight of the third business day that begins the day after you sign the deed or title.

To rescind or cancel this transaction, mail or deliver a signed and dated copy of the Notice of Rescission, or any other written notice expressing a similar intent to [name of foreclosure purchaser] at [address of foreclosure purchaser].

**THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF YOUR HOME. CONTACT AN ATTORNEY FOR LEGAL ADVICE OR A HOUSING COUNSELOR APPROVED BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR OTHER OPTIONS WITH YOUR LENDER BEFORE SIGNING.**

NOTICE OF RESCISSION

To: [Name of foreclosure purchaser]

[Address of foreclosure purchaser]

I hereby rescind the transfer of deed or title to my property. Please return all executed documents to me.

[Signature date] \_\_\_\_\_ [Homeowner's signature] \_\_\_\_\_.

(d) The foreclosure purchaser shall provide the homeowner with a copy of the Notice of Right to Rescind Transfer of Deed or Title immediately on execution of any document that includes a foreclosure reconveyance.

(e) The time during which the homeowner may rescind the contract or transfer does not begin to run until the foreclosure purchaser has complied with this section.

(f) A foreclosure reconveyance may not be carried out using a power of attorney from the homeowner.

(g) A notice of rescission need not take the particular form specified in this subchapter or any form contained in any agreement with the foreclosure consultant or foreclosure purchaser and is effective, however expressed, if it indicates the intention of the homeowner to rescind the foreclosure reconveyance agreement.

(h) The right to rescind may not be conditioned on the repayment of any funds.

(i) Within ten days after receipt of a notice of rescission, the foreclosure purchaser shall return, without condition, any original deed, title, contract, and any other document signed by the homeowner.

(j) During the three day rescission period, a deed or other document affecting title to the homeowner's residence in foreclosure may not be recorded.

§2424B. Waiver of Rights.

Any provision in an agreement concerning a foreclosure reconveyance that attempts or purports to waive the homeowner's rights under this chapter, consent to jurisdiction for litigation or choice of law in a state other than this State, consent to a venue in a county other than the county in which the property is located or impose any costs or filing fees greater than the actual costs and fees, is void.

§2425B. Prohibited Acts.

287 A foreclosure purchaser may not:

288 (1) Enter into, or attempt to enter into, a foreclosure reconveyance with a homeowner unless:

289 a. The foreclosure purchaser verifies and can demonstrate that the homeowner has or will have a  
290 reasonable ability to pay for the subsequent reconveyance of the property back to the homeowner on completion of the  
291 terms of a foreclosure reconveyance, or, if the foreclosure reconveyance provides for a lease with an option to repurchase  
292 the property, the homeowner has or will have a reasonable ability to make the lease payments and repurchase the property  
293 within the term of the option to repurchase;

294 b. The foreclosure purchaser and the homeowner complete a settlement before any transfer of an  
295 interest in the property is effected; and

296 c. The foreclosure purchaser complies with the requirements of the federal Home Ownership  
297 Equity Protection Act, 15 USC §1639, and its implementing regulations for any foreclosure reconveyance in which the  
298 homeowner obtains a vendee interest in a contract for deed;

299 (2) Fail to:

300 a. Ensure that the title to the property has been reconveyed to the homeowner in a timely  
301 manner if this subchapter or the terms of a foreclosure reconveyance agreement require a reconveyance; or

302 b. Make payment to the homeowner within ninety days of any resale of the property so that the  
303 homeowner receives cash payments or consideration in an amount equal to at least 82% of the net proceeds from any resale  
304 of the property should a property subject to a foreclosure reconveyance be sold within eighteen months after entering into a  
305 foreclosure reconveyance agreement;

306 (3) Enter into repurchase or lease terms as part of the foreclosure conveyance that are unfair or  
307 commercially unreasonable, or engage in any other unfair conduct;

308 (4) Represent, directly or indirectly, that:

309 a. The foreclosure purchaser is acting as an advisor or a consultant, or in any other manner  
310 represent that the foreclosure purchaser is acting on behalf of the homeowner;

311 b. The foreclosure purchaser has certification or licensure that the foreclosure purchaser does  
312 not have; or

313 c. The foreclosure purchaser is assisting the homeowner to ‘save the house’ or use a  
314 substantially similar phrase;

315 (5) Make any other statements, directly or by implication, or engage in any other conduct that is false,  
316 deceptive, or misleading, or that has the likelihood to cause confusion or misunderstanding, including statements regarding:

- 317 a. The value of the residence in foreclosure,  
318 b. The amount of proceeds the homeowner will receive after a foreclosure sale,  
319 c. Any contract term, or  
320 d. The homeowner's rights or obligations incident to, or arising out of, the foreclosure  
321 reconveyance; or
- 322 (6) Until the homeowner's right to cancel the transaction has expired:
- 323 a. Record any document, including an instrument of conveyance, signed by the homeowner; or  
324 b. Transfer or encumber or purport to transfer or encumber any interest in the residence in  
325 foreclosure to any third party.
- 326 §2426B. Presumptions, Accounting, Bona Fide Purchaser.
- 327 (a) For the purposes of subsection (1)a. of §2425B of this chapter, there is a rebuttable presumption that:
- 328 (1) A homeowner has a reasonable ability to pay for a subsequent reconveyance of the property if the  
329 homeowner's payments for primary housing expenses and regular principal and interest payments on other personal debt,  
330 on a monthly basis, do not exceed 60% of the homeowner's monthly gross income; and
- 331 (2) The foreclosure purchaser has not verified reasonable payment ability if the foreclosure purchaser  
332 has not obtained documents other than a statement by the homeowner of assets liabilities, and income.
- 333 (b) The foreclosure purchaser shall make a detailed accounting of the basis for the amount of a payment made to  
334 the homeowner of a property resold within eighteen months after entering into a foreclosure reconveyance agreement in  
335 accordance with subsection (2)b. of §2425B of this chapter. The accounting shall include documentation of expenses  
336 and other consideration paid by the foreclosure purchaser and deducted from the resale price.
- 337 (c) A bona fide purchaser for value or bona fide lender for value who enters into a transaction with a homeowner  
338 or a foreclosure purchaser when a foreclosure consulting contract is in effect or during the period when a foreclosure  
339 reconveyance may be cancelled, without notice of those facts, receives good title to the property, free and clear of the right  
340 of the parties to the foreclosure consulting contract or the right of the homeowner to rescind the foreclosure reconveyance.
- 341 (d) This subchapter may not be construed to impose any duty on a purchaser, title insurer, or title insurance  
342 producer with respect to the application of the proceeds of a sale of property by a foreclosure purchaser.

#### 343 SUBCHAPTER IV. ENFORCEMENT AND REMEDIES

##### 344 §2427B. Enforcement.

- 345 (a) The Attorney General shall have the same authority to enforce and carry out this chapter as is granted by  
346 §2517 of Title 29 and by §§2511-2527 and §§2531-2536 of this title.

(b) If a court or tribunal of competent jurisdiction finds that any person has willfully violated this chapter, the Attorney General, upon petition to the court or tribunal, shall recover from the person, on behalf of the State, in addition to all costs, a civil penalty of not more than \$10,000 per violation pursuant to §2513 of this title. If the violation is against an elderly or disabled person an additional civil penalty of not more than \$10,000 per violation shall be recovered pursuant to §2581 of this title. Each day that a willful violation continues shall be considered a separate violation.

(c) For the purpose of this chapter, a willful violation occurs when the party committing the violation knew or should have known that the party's conduct was of the nature prohibited by this chapter.

#### §2428B. Remedies, Penalties, and Violation of Order or Injunction.

(a) A person engages in a deceptive trade practice and is subject to the remedies available in §2533 of this title when, in the course, of such person's business, vocation, or occupation, such person violates any provision of this chapter.

(b) Any homeowner who brings an action under this chapter may be awarded monetary damages by a court of competent jurisdiction.

(c) A person who violates any order or injunction issued pursuant to this chapter is subject to the provisions of §2598 of this title.

(d) A person who violates any provision of this chapter shall be guilty of a Class A misdemeanor.

#### §2429B. Remedies and Penalties Not Exclusive.

The remedies and penalties provided for in this chapter are not exclusive and shall be in addition to any other procedures, rights or remedies which exist with respect to any other provisions of law including but not limited to state and/or federal criminal prosecutions and/or actions brought by private parties.”

Section 2. Amend §2517(c) of Title 29 of the Delaware Code by adding to each of paragraphs (1) and (2) the phrase “Chapter 24B of Title 6,” after the existing phrase “Chapter 35 of Title 6,”.

Section 3. This Act shall take effect on January 1, 2009.

#### SYNOPSIS

Each month foreclosure proceedings begin on about one house in every 1,000 nationwide. The growing foreclosure rate has led to a wave of equity stripping and foreclosure rescue scams. This bill regulates foreclosure consultants and foreclosure reconveyances in order to protect homeowners from foreclosure rescue schemes that deplete the homeowner's equity.

Author: Senator Marshall