

RI Legislature Adds New Pre-foreclosure Notice Requirements.

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On January 5, 2010, the Rhode Island General Assembly overrode Governor Carcieri's veto of legislation requiring a new 45-day pre-foreclosure notice to consumer borrowers. This notice, in English and Spanish, must give notice of default and the mortgagee's right to foreclose, and must also advise the mortgagor of the availability of counseling through HUD-approved counseling agencies, and give the toll-free telephone number and website regarding HUD counseling. The counseling is to be provided at no cost to the mortgagee.

Readers may recall that new local municipal ordinances in Providence and Cranston now require duplicate notice of the availability of HUD counseling, as well as impose mandatory mediation of mortgage defaults paid for by the lender. This highlights the need for state preemption in this area, since duplicative and inconsistent laws now affect many Rhode Island foreclosures.

This act takes effect 60 days from passage, March 6, 2010. This presents a dilemma since servicers will be required to send out the notices on or about January 20 to comply with the new legislation. The RI Department of Business Regulation has 30 days to promulgate the required forms, which means that forms would not be ready until February.

[Click here for a copy of 2009 S 1002 Substitute A, which is the amended and passed version of H 5492.](#)