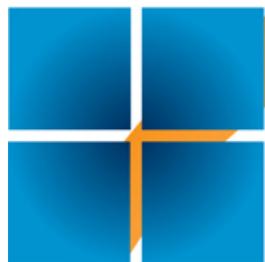


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## *FORECLOSURE BY MARKET SALE*

The Governor of the State of Connecticut has signed into law Public Act #14-84 (Bill #5514), "AN Act Concerning an Optional Method of Foreclosure" that will change the way foreclosures are prosecuted in the State.

It appears that the Foreclosure by Market Sale option is meant to provide a pre-foreclosure mechanism to homeowners with no equity in their property without the stigma of foreclosure. Many hope that this new law will reduce blight and curb the perceived crisis of "zombie foreclosures" while producing better sales prices for the homeowners and financial institutions using this new method.

Many proponents of the bill state that due to a reduced time frame to accomplish a foreclosure by market sale the properties will no longer serve as a target for vandalism and theft causing an adverse comparable sale information that ultimately drives appraisals downward. At its core it is believed that this method will yield a higher value for the subject property reducing a borrower's potential deficiency.

This law requires all servicers and lenders to create and be prepared to deliver notices regarding the Foreclosure by Market Sale option to all borrowers PRIOR to the commencement of a foreclosure action. Additionally, servicers and lenders must now be able to properly evaluate, object or agree to language and terms of a listing agreement and Real estate Purchase and Sales Agreement that are different from jurisdiction to jurisdiction.

Finally, should the servicer or lender choose to object or not agree to any provision or term of either an appraisal, listing agreement or purchase and sales agreement, they must respond so in writing but be sure that nothing in said wiring could be used as an admission in a future proceeding against its interests. One must be aware of these implications.

**\*\*FOR MORE INFORMATION OR TO SCHEDULE AN IN-HOUSE TRAINING SEMINAR ON THIS OR ANY OTHER TOPIC PLEASE CONTACT US AT [INFO@DIRECTDEFAULT.COM](mailto:INFO@DIRECTDEFAULT.COM)\*\***