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

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

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

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

Section 3. In a foreclosure proceeding concerning a residential property, upon a finding by a court that the holder of the mortgage or any corporation hired to service or collect...
payments on the mortgage has engaged in any fraudulent or bad faith act in relation to the mortgage, the court shall:

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

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

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

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

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

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

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

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