A bill to be entitled
An act relating to short sale debt relief; creating
the “Short Sale Debt Relief Act”; defining terms;
providing that a debtor does not owe a deficiency to a
lienholder related to an eligible real property sold
pursuant to a bona fide short sale if an offer is
received by a debtor within a specified time period
and under specified conditions; providing for the
distribution of proceeds; requiring a lienholder to
approve the short sale of property and execute any
document necessary to close the sale within a
specified time period if a debtor procures a buyer who
makes an offer in writing equal to the fair market
value of the eligible property; providing that a
debtor has a claim against a lienholder for actual
damages, costs, elimination of the lien, and attorney
fees if the lienholder violates the act; providing an
effective date.

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

Section 1. (1) This act may be cited as the “Short Sale
Debt Relief Act.”

(2) As used in this act, the term:
(a) “Bona fide short sale” means a sale of eligible real
property which is the result of an arms-length transaction
between two parties who are unrelated by family or contractual
ties other than the short sale.
(b) “Deficiency” means a debt owed related to a mortgage,
note, or other lien on eligible real property which exceeds any
money received by a lienholder pursuant to a bona fide short
sale.

(c) “Eligible real property” means any first home, second
home, or single-family rental property located in this state
which has total mortgage-related debt greater than 20 percent of
the fair market value of the property as determined by a
licensed appraiser.

(d) “Proceeds” means an amount equal to the purchase price
of a bona fide short sale less any applicable fees and taxes;
however, new fees may not be created by a lienholder as a result
of this act.

(e) “Short sale” means the purchase and sale of real
property in which all of the following apply:

1. The grantor’s interest is encumbered by one or more
mortgages securing indebtedness in an aggregate amount greater
than the consideration paid or given by the grantee.

2. A mortgagee releases the real property from its mortgage
in exchange for a payment of less than the total of the
outstanding mortgage indebtedness owed to the releasing
mortgagee.

3. The releasing mortgagee does not receive, directly or
indirectly, any interest in the property transferred.

4. The releasing mortgagee is not controlled by or related
to the grantor or the grantee.

3) A debtor does not owe a deficiency to a lienholder
related to eligible real property sold pursuant to a bona fide
short sale if an offer is received by a debtor pursuant to
subsection (5) within 3 years after July 1, 2013, and closing
occurs within 60 days thereafter.

(4)(a) A first lienholder is entitled to 90 percent of the
proceeds of the short sale.
(b) A second or subsequent lienholder is entitled to a
combined total of 10 percent of the proceeds of the short sale,
which must be distributed proportionally to the amount of debt
held by the second or subsequent lienholder.

(5) If a debtor procures a buyer who makes an offer in
writing equal to the fair market value of the eligible property
for a bona fide short sale, the lienholder shall approve the
sale of the property and execute any document necessary to close
the sale within 45 days of the sale.

(6) A debtor may file a claim against a lienholder for
actual damages, costs, elimination of the lien under equity, and
attorney fees if the lienholder violates this act.

Section 2. This act shall take effect July 1, 2013.