



SHARK TALK

THE LAW FIRM OF ANN SHAW, PA
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A Businessman, a Banker, and a Lawyer were stranded in a small boat out in the ocean. But nearby they could see an island. The sharks began to circle.

The Businessman said, "We have to get to that island, but how can we get through these sharks?"

The Banker said, "I'm not going to risk swimming through these sharks."

The Lawyer said, "Just follow me."

The Lawyer jumped into the water. And the sharks all formed a respectful line to let him swim through.

The Businessman and the Banker called out, amazed, "How did you do that?"

"No problem," the Lawyer answered. "Professional courtesy."

Are you swimming with sharks?

If you have to swim with sharks, you need a good lawyer.



Who protects you?

THE NEW MARYLAND HOMESTEAD EXEMPTION

The Law Firm of Ann Shaw, P.A. has been working for years for a HOMESTEAD EXEMPTION for Maryland Homeowners.

The NEW MARYLAND HOMESTEAD EXEMPTION becomes law Oct. 1.



Both the State and Federal governments have rushed in to provide help to homeowners facing foreclosure. But what if you have some equity in your home? Still, you have bills and are threatened by lawsuits? How do you protect your home then?

Until now, there was virtually no protection for Maryland homeowners. “Tenants by the entirety” deeds offered some limited protection to married couples. But there was only a minimal dollar protection for single moms, divorced dads, or widows.

The Law Firm of Ann Shaw, P.A., with the help and support of the Eastern Shore Bankruptcy Bar Association, consumer bankruptcy attorneys, and World Wise Women, fought for a Maryland homestead exemption. On May 4th this year, the exemption was signed into law. It becomes effective October 1, 2010.

The exemption is for owner-occupied residential real property and is the same amount as the exemption provided by federal law. Currently, that amount is just over \$20,000. This amount can be adjusted if the federal allowance changes.

There are restrictions, too, on the exemption. The exemption can only be used in a bankruptcy filing. And, basically, the exemption cannot be used for the same property by related debtors more than once in eight years.

The new homestead exemption is in addition to other exemptions allowed under Maryland law.



Is your home worth the price of local legal professional advice?

MORTGAGE MEDIATION

Now Maryland Law

The filing of a bankruptcy stops a foreclosure. Under Maryland Law enacted last year, the Maryland Circuit Court can stop a foreclosure by granting a “stay”. Effective July 1, 2010 the new Maryland Foreclosure Mediation Law will give homeowners faced with foreclosure important new rights.

Under this new law, homeowners have a better opportunity to obtain a mortgage modification or pursue other alternatives to avoid foreclosure. Lenders are legally required to provide homeowners with specific information about modification alternatives and resources available.

If the homeowner timely completes and returns a modification application, the lender **must** evaluate the request and make a decision upon it before proceeding with foreclosure. If the lender does move forward with the foreclosure, the lender must provide a notice of right to mediation to the homeowner. The homeowner must receive a “Request for Mediation” form.

Upon receipt of this form, homeowners will have only fifteen days to complete it and file it with the Circuit Court with a \$50.00 fee.

“Mediation” gives the homeowner the right to a hearing conducted by the Office of Administrative Hearings. The lender, not just the lender’s lawyer, must attend. The purpose of the mediation is to get both the lender and the homeowner to agree to a loan modification or other foreclosure alternative.

The lender cannot schedule a foreclosure sale until after the mediation has occurred.

For any foreclosure alternative process, the homeowner should obtain competent legal counsel. The Law Firm of Ann Shaw, P A, through its local lawyers, has been assisting homeowners facing foreclosure since 1993. But, homeowners who wait until *after* the foreclosure sale to contact an attorney are almost always too late.

Maryland Department of Labor, Licensing & Regulation suggests that homeowners facing foreclosure call the Maryland HOPE Hotline at 1-877-462-7555 or visit [MD HOPE](#). HUD also provides a list of housing

Will you throw away your last chance to save your home?



*OUT OF STATE
“MORTGAGE
MODIFICATION
COMPANIES”*

*Do not know
MARYLAND LAW*

*And cannot
REPRESENT YOU IN
MARYLAND COURTS*



WHAT SHOULD HOMEOWNERS DO?

Homeowners have responsibilities under the new Foreclosure Mediation Law, too. Homeowners must show that they have communicated with the lender and timely provided documentation.

Future SHARK



COVER YOUR ASSETS!

As the troubled economy becomes more troubled the careful consumer or wary entrepreneur becomes increasingly concerned about protecting assets. Some basic legal guidance can often safeguard property that creditors could otherwise seize.

First: Know how your property is “vested”. If you own real property as “tenants by the entireties” (as husband and wife) the property may be protected from the individual creditors of either spouse. Property held as “joint tenancy” may have more protections than “tenants in common” property. And sometimes it makes good legal sense to title property in a corporation or LLC.

Second: Know exactly what powers banks and other creditors do and do not possess. Be aware if your bank account is subject to a right

of offset. Know what you have risked if you have signed a confessed judgment note. If you have guaranteed or co-signed a debt, understand that you will be held personally and legally responsible for it. But don’t be subject to “bullying”. Most creditors cannot seize any of your assets without a court order.

Third: Don’t believe every pretty promise. Be a bit suspicious of internet companies that guarantee they can settle your debts for pennies on the dollar. Distrust mortgage modification “experts” who advertise that they can modify your mortgage to less than half of what you are paying now, even if you are unemployed or in bankruptcy. You could spend thousands of dollars on useless help and leave your assets totally unprotected.



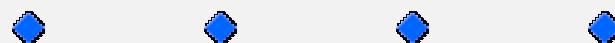
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