

Dear Stewart Partners,

Happy spring! In this week's mid-week update, we are featuring a primer on non-judicial foreclosures of timeshare interests in Maine, along with a trap for the unwary hiding in some government mortgages. Also, in case you missed it, a U.S. District Court in Texas issued a decision impacting the FinCEN Anti-Money Laundering Rule which has paused filing requirements.

We are also highlighting a member of Connecticut's underwriting team, David Veleber. Read more below to find out why. Finally, the New England Land Title Association annual conference is being held in May this year, and information on registering can be found below.



Non-Judicial Timeshare Foreclosures in Maine By: Jamie Spaulding, Esq., Maine Underwriting Counsel

In our [February 11, 2026](#) mid-week update, I wrote about insuring timeshares. This article is the second installment and focuses on the timeshare foreclosure process in Maine.

Section 595 of the Time Share Act requires the use of a specific non-judicial foreclosure procedure for nonpayment of periodic dues and assessments. While it operates as a more efficient and less cumbersome foreclosure process when compared to judicial foreclosures under 14 M.R.S.A. §6101, et seq., strict compliance with the timing and mailing of notices and recording deadlines are critical to properly executing and completing a timeshare foreclosure and avoiding clouds on title. To illustrate this process, consider this example:

John and Jane Smith own Unit 123, Use Period 2 at the Monday River Hotel in Newry, which offers ski-in, ski-out lodging with access to an indoor pool, hot tubs, work out facility, and dining options within the building. The Smiths fall on hard times and fail to pay their quarterly assessments to the governing owners association, the Monday River Owners Association (the "MROA"), for consecutive quarters. The MROA decides to foreclose on the Smiths' interest in the unit and engages their attorney to initiate non-judicial foreclosure proceedings as follows:

1. Their attorney records a lien against the Smiths in the Registry and mails duplicate notices with copies of the lien to the Smiths by both first-class mail, and by certified mail, return receipt requested. The notice must provide a "reasonable opportunity to cure [the arrearage] of not less than 30 days from the date of the mailing of the notice letter[s]." 33 M.R.S.A. §595(1)(A).

2. After the cure period stated in the notices expires, their attorney publishes a notice of auction sale in the Moon Journal, the newspaper of general circulation for the Town of Newry, which must include the following: (1) the names of the owners; (2) the date, place and time of the auction; (3) a general description of the timeshare estate; (4) the terms of the sale; and (5) the following statement: "You are hereby notified that you have a right to petition the Superior Court or District Court for the county or district in which the time-share estate is located, with service on the foreclosing person, and upon such bond as the court may require, to enjoin the scheduled foreclosure sale." The auction must take place either at the Monday River Hotel, or some other location in the Town of Newry. Notices of the auction must be mailed to the Smiths by first-class mail and by certified mail, return receipt requested. §595(1)(B)(1).
3. The attorney conducts a public auction at the Monday River Hotel (or another location in the Town of Newry) and the unit is sold to the highest bidder. §595(1)(B)(2)(a-b).
4. The closing takes place and the foreclosure deed is recorded in the registry within thirty days of the foreclosure auction, along with an affidavit from the attorney "attesting that all requirements of the foreclosure pursuant to this section have been met." §595(1)(B)(2)(e-f).
5. Within thirty days of the closing and recording of the deed and affidavit, the attorney mails a letter to the Smiths detailing the results of the foreclosure sale. §595(1)(B)(2)(g).

A few things to keep in mind while reviewing compliance with the Time Share Act:

- Absent information to the contrary, you can rely on the attestations contained in the affidavit; however, be mindful that the affidavit may be executed at or prior to the closing and recording of the documents. It is important to reach out to the affiant (referred to in the Act as the "foreclosing person") to ensure that the final notice letter was mailed in compliance with the Act. An additional affidavit from the "foreclosing person" may be necessary to insure title.
- The closing and recording may be completed by an attorney or title company of the buyer's choosing, and not necessarily the foreclosing person. Be sure to confirm that the deed and affidavit were recorded within thirty days of the auction date stated in the affidavit.
- While discharge of a lien for unpaid dues and assessments may be listed as a requirement to insuring title to a timeshare estate, "the successful buyer at the foreclosure sale takes title to the time-share estate free and clear of any outstanding assessments owed by the prior time-share owner to the managing entity." §595(1)(B)(2)(d).
- Using the example above, while the Smiths are not the only owners of Unit 123, the only interest being foreclosed upon is the use period conveyed in their deed – Use Period 2. You do not need to search title on the owners of the other use periods for Unit 123.

As always, if you have any questions regarding insuring time-share properties, please contact your Stewart underwriting counsel.



When is an Obsolete Mortgage not Obsolete? By: Tracie M. Kester, Esq., Senior Underwriter and New England Deputy Regional Underwriting Counsel

In several of our mid-week updates, we've discussed so-called "obsolete mortgage statutes" which impose statutes of limitations on the ability of the mortgagee to foreclose. These statutes are very useful to title examiners and consumers alike, saving both time and money. However, there is a trap for the unwary hiding in certain mortgages granted to the United States or one of their agencies.

We recently reviewed a USDA mortgage, granted to "the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture." The mortgage had been granted in 1984 on a piece of Massachusetts property, and the face page of the mortgage showed a 2017 due date for the final installment. Under M.G.L. c. 260, s. 33, this mortgage would be obsolete as of 2022, five years after the stated maturity date. However, in reading the entire mortgage, there were a few clauses that were problematic.

First, the mortgage contained a clause stating that "the Government may ... extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument." Second, and even more troubling, was the clause which stated that "Borrower agrees that the Government will not be bound by any present or future laws ... prescribing any other statute of limitations Borrower expressly waives the benefits of any such State laws."

Because M.G.L. c. 260, s. 33 is a statute of limitations, and the mortgage included language waiving any limitations, we required a discharge of this mortgage in order to issue policies without exception for it.

The takeaway here is that when assessing whether it is permissible to issue a policy that doesn't take exception for an undischarged mortgage based on an obsolete mortgage statute, one needs to read the entire mortgage, particularly if it is not the typical Fannie Mae/Freddie Mac uniform mortgage form.

For information on how to deal with undischarged mortgages in the various New England states, see these prior articles from our mid-week updates:

Connecticut: [Amendment to Conn. Gen. Stat. s. 49-13a, effective January 1, 2026, reduces the time for recording an affidavit invalidating an undischarged mortgage from 20 years to 10 years.](#)

Maine: [Dealing with unreleased mortgages in Maine](#)

Massachusetts: [Dealing with unreleased mortgages in Massachusetts](#)

New Hampshire: [Pending legislation effective January 1, 2028](#)

If you have any questions concerning whether a policy can be issued without exception for an obsolete mortgage, please contact one of the Stewart underwriters for guidance.



U.S. District Court for the Eastern District of Texas Vacates FinCEN Residential Real Estate Rule

On March 19, 2026, in a case pending before the District Court in Texas, a federal judge issued an order vacating the FinCEN Residential Real Estate Rule in its entirety. The court found that FinCEN exceeded its statutory authority under the Bank Secrecy Act and ordered the rule to be set aside. Of note, this ruling is inconsistent with the U.S. District Court for the Middle District of Florida which issued its decision last month.

Experts anticipate that the ruling will be appealed. The American Land Title Association has issued the following update regarding the legal developments: [Update FinCEN Residential Real Estate Rule](#)

Stewart's reporting company, FRS, is offering to continue to collect data on pending and new files for its existing customers at no charge, until there is further legal clarity or until the end of April 2026. FRS will not formally submit data to FinCEN at this time. Submissions will only resume once the rule is back in force, a stay is issued, or the rule is confirmed to be in effect pending appeal.

This complimentary data collection is part of FRS's commitment as a full-service solution provider to its existing client base. This no-charge period will also be extended to new clients that are Stewart Agents and are approved and execute agreements with FRS prior to end of day March 31, 2026.

For questions on signing up with FRS or about any pending file already placed with FRS, please email: customerservice@fincenreportingservices.com



David Veleber – Caring for His Community

Caring for our community is a core part of our culture at Stewart. This commitment goes beyond our organization—it's something so many of our employees personally embrace. We are proud to see members of our team giving back locally and making a meaningful impact in the neighborhoods and communities where they live and work.

We're especially proud to share that one of our own, **David Veleber**, has been recognized as the Cheshire Community YMCA Person of the Year by the Cheshire, Connecticut YMCA. This is a tremendous honor, and we couldn't be happier for David. Please join us in congratulating him on this well-deserved recognition.

David joined Stewart just over 18 months ago and has already made a significant impact as part of our Connecticut underwriting team. A seasoned title insurance professional, he is always ready to lend his expertise and support for any Connecticut underwriting questions. David can be reached at david.veleber@stewart.com



New England Land Title Annual Convention, May 4-5, 2026

Join members of Stewart's agency team at NELTA's annual convention on May 4 and May 5, 2026. This year's convention will be held at the Encore Casino in Boston. For details or to register, you can go to <https://nelta.org/events>. We hope to see you there!



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