

April 7, 2005

H 1146. FORECLOSURE REFORM. TO IMPROVE THE FORECLOSURE PROCESS. Enacts new GS 45-21.20A to provide that a mortgage under a consumer home loan may reinstate the loan if, before the time fixed for a sale or before expiration of time for submitting upset bid, the debtor pays all of the following sums: past due scheduled payments and authorized late fees; past due taxes, hazard insurance, and home owners association dues or assessments; filing fees, advertising and publication expenses actually incurred, and compensation for the trustee's services. Requires payment to be made to court and court to stay further proceedings. Amends GS 45-21.16(c) to add the following to provisions that must be included in the notice of foreclosure hearing: a statement of the amount necessary to reinstate the loan under the new statute; a statement that the trustee is a neutral party and cannot advocate for the lender or the debtor if the debtor contests the foreclosure; a statement that the debtor has the right to file a separate lawsuit to assert legal or equitable claims; a statement that the debtor has a right to appear at the hearing and serve a written response; a statement of the consequences if debtor fails to appear at the hearing; and a statement that the debtor has a right to contest the allegations in the notice. Enacts new GS 45-21.38A to abolish deficiency judgments in mortgage loans under \$300,000 where part of loan proceeds is used to purchase a manufactured mobile home or manufactured modular home that will be occupied by the borrower as a principal residence, thereby treating mortgages for manufactured homes like purchase money mortgages for real property. Effective October 1, 2005, for loans entered into on or after that date.

Intro. by Michaux.

Ref. to Judiciary II

GS 45

June 1, 2005

H 1146. FORECLOSURE REFORM. Intro. 4/7/05. House committee substitute makes the following changes to 1st edition. Deletes amendments to GS 45-21.16(c)(5) and (5a). Also deletes proposed GS 45-21.20A (reinstatement of debt after publishing or posting notice), and GS 45-21.38A, (deficiency judgments). Amends GS 45-21.29(k) to require thirty (was, ten) days' notice to parties in possession of foreclosed property before order is issued in favor of purchaser at foreclosure.

June 1, 2005

H 1146. FORECLOSURE REFORM. Intro. 4/7/05. House amendment makes the following changes to 2nd edition. Deletes proposed GS 45-21.16(c)(7)c. requiring notice to the debtor to include a statement regarding the debtor's right to file a separate lawsuit.

June 1, 2005

H 1146. FORECLOSURE REFORM. Intro. 4/7/05. House amendment #2 makes the following change to 2nd edition, as amended. Reverts to ten days' notice (from 2nd edition's thirty days') to parties in possession of foreclosed property before an order may be issued allowing party purchasing at foreclosure to take possession.