
DIGEST

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HB 496 Engrossed

2015 Regular Session

Willmott

Abstract: Changes the 41-year period for reinscription of mortgages in favor of savings and loans to a 10-year period as provided by the Civil Code general provisions on registry.

Present law provides for security of loans on movable and immovable property granted by savings and loan associations.

Proposed law deletes the requirement that every loan on immovable property be accompanied by a certificate of the attorney of the association and deletes the authority for the mortgage to contain an assignment of rents.

Present law provides that every loan on home appliances and equipment shall be secured by a mortgage.

Proposed law repeals present law.

Present law authorizes the vendee to waive the three-day notice required by the Code of Civil Procedure in obtaining orders of seizure and sale by executory process.

Proposed law repeals present law.

Present law provides that mortgages recorded in favor of savings and loan associations remain in full force and effect without the necessity of being reinscribed in the mortgage records for a period of 41 years from the date of inscription for immovable property and for 31 years for home appliances and equipment.

Proposed law deletes present law and provides that a mortgage granted in favor of a savings and loan association and a vendor's privilege created in favor of a savings and loan association shall be subject to the general rules on mortgage records provided by Chapter 2 of Title XXII-A of the Civil Code.

Present law provides that the vendor's privilege and mortgage provided by present law shall remain in force for a period of forty-one years from the date of inscription.

Proposed law deletes present law.

Provides that present law shall be liberally construed in favor of notes secured by a vendor's privilege and mortgage in favor of an association.

Proposed law repeals present law.

Proposed law provided for applicability to all mortgages and vendor's privileges governed by R.S. 6:830 in existence and effective on Jan. 1, 2016, and provides a period of repose through Jan. 1, 2019.

Effective January 1, 2016.

(Amends R.S. 6:830(A), (F), (G)(4), and (H)(2); Repeals R.S. 6:830(B), (D)(3), and (G)(5))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the original bill:

1. Add technical amendments.
2. Repeal present law provisions relative to mortgages on home appliances and equipment and the waiver of the three-day notice of seizure and sale in executory process proceedings.
3. Remove provisions relative to the requirement of an accompanying certificate of the attorney of the association and provisions relative to the assignment of rent.
4. Change proposed provisions relative to reinscription as provided by C.C. Arts. 3357 and 3358 to making such mortgages subject to Chapter 2 of Title XXII-A of the Civil Code.
5. Add an effective date of January 1, 2016.
6. Add provisions regarding the applicability to existing mortgages.