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## DIGEST

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Seabaugh

HB No. 883

**Abstract:** Provides for the handling and distribution of insurance settlement monies on immovable property claims when a mortgage holder is presented with a properly endorsed jointly payable insurance proceeds check or draft.

Proposed law provides that when a mortgage holder is presented with a properly endorsed jointly payable insurance proceeds check or draft for residential immovable property damage, the check or draft shall be placed into a restricted escrow account.

Proposed law provides that within 3 business days of receipt of the request of release of funds by the owner of the residential immovable property, the mortgage holder shall issue a check made payable to the owner or owner and contractor, if the owner has executed a contract for repairs with a contractor, for 50% of the funds held in escrow in order for repairs to start.

Proposed law provides that the owner of the residential immovable property shall inform the mortgage holder in writing when 50% of the repairs to the residential immovable property are complete.

Proposed law provides that the mortgage holder may order a property inspection of the immovable residential property upon receipt of the notice required by proposed law. If an inspection is conducted, it shall be completed no later than 14 business days from the date of the receipt of the notice.

Proposed law provides that when an inspection completed pursuant to proposed law shows no deficiencies, the mortgage holder shall issue a check made payable to the owner or owner and contractor, if the owner has executed a contract for repairs with a contractor, for 50% of the remaining funds held in escrow for further repair work.

Proposed law provides that when an inspection completed pursuant to proposed law shows deficiencies, the mortgage holder shall not issue a check until all necessary corrections and repairs are completed and only then shall it issue a check made payable to the owner or owner and contractor, if the owner has executed a contract for repairs with a contractor, for 50% of the remaining funds held in escrow for further repair work.

Proposed law provides that if an inspection is not ordered at all or is not completed within 14 business days of the receipt of the notice required by proposed law, the mortgage holder shall issue a check made payable to the owner or owner and contractor, if the owner has executed a

contract for repairs with a contractor, for 50% of the remaining funds held in escrow for further repair work.

Proposed law provides that the owner of the residential immovable property shall inform the mortgage holder in writing when 100% of the repairs to the residential immovable property are complete.

Proposed law provides that the mortgage holder may order and complete a property inspection of the immovable residential property upon receipt of the notice required in proposed law. If an inspection is conducted, it shall be completed no later than 14 business days from the date of the receipt of the notice required by proposed law.

Proposed law provides that when an inspection completed pursuant to proposed law shows no deficiencies, the mortgage holder shall issue a check made payable to the owner or owner and contractor, if the owner has executed a contract for repairs with a contractor, for all remaining funds held in escrow.

Proposed law when an inspection completed pursuant to proposed law shows deficiencies, the mortgage holder shall not issue a check until all necessary corrections and repairs are completed and only then shall issue a check made payable to the owner or owner and contractor, if the owner has executed a contract for repairs with a contractor, for all remaining funds held in escrow.

Proposed law provides that if an inspection is not ordered at all or is not completed within fourteen business days of the receipt of the notice required by proposed law, the mortgage holder shall issue a check made payable to the owner or owner and contractor, if the owner has executed a contract for repairs with a contractor, for all remaining funds held in escrow.

(Adds R.S. 6:339)