2015 Regular Session

HOUSE BILL NO. 496

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## BY REPRESENTATIVE WILLMOTT

2	To amend and reenact R.S. 6:830(A), (F), (G)(4), and (H)(2) and to repeal R.S. 6:830(B),
3	(D)(3), and (G)(5), relative to the recordation of mortgages in favor of savings and
4	loans; to provide relative to the reinscription of mortgages within certain periods of
5	time; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 6:830(A), (F), (G)(4), and (H)(2) are hereby amended and reenacted
8	to read as follows:
9	§830. Security for loan on movable and immovable properties; purchase and sale of
10	property
11	A. Except as otherwise provided in this Chapter, every loan on immovable
12	property shall be secured by a mortgage upon the property, accompanied by a
13	certificate of the attorney of the association to that effect, and also, where applicable,
14	accompanied by a pledge to the association of any shares or savings accounts
15	borrowed upon. Such mortgage shall provide specifically for full protection to the
16	association with respect to the loan and additional advances, and the usual insurance
17	risks, taxes, assessments, other governmental levies, maintenances, and repairs. The
18	mortgage may provide for an assignment of rents, and if such assignment is made,
19	any such assignment shall become absolute upon the mortgagor's default, becoming
20	operative upon written demand by the association a pledge of leases and rents. A
21	declaration of the pledge creates a valid and complete pledge of the shares or savings
22	accounts and of all future payments or credits thereon.

AN ACT

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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F. Any mortgage recorded as provided by this Section remains in full force and effect without the necessity of being reinscribed in the mortgage records for a period of forty-one years from the date of inscription. The recordation of the authentic act evidencing mortgage on home appliances and equipment in the same manner as the mortgage on immovable property shall be binding on third persons and need not be reinscribed for thirty-one years from the date of inscription. 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 rules provided by Chapter 2 of Title XXII-A of Book III of the Louisiana Civil Code.

G.

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(4) This act of sale with vendor's privilege and mortgage, if recorded within three working days of its execution, when the registry is required to be made in the parish where the act was executed, and within five working days, if the registry is required to be made in any other parish of this state, shall have the same priority with regard to the effective date of recordation as is accorded vendor's privileges under the provisions of Louisiana Civil Code Article 3274, without regard to the time for recordation as provided therein. The vendor's privilege provided for in this Subsection shall remain in force for a period of forty-one years from the date of inscription. Any note secured by a vendor's privilege and mortgage of the kind authorized by this Subsection shall have the same rights, privileges, priorities, and exemptions which have previously been had by notes payable to associations and secured by a vendor's privilege and mortgage set forth in sales of property by the association to the purchaser.

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26 H.

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(2) If any mortgage provided for in this Section is placed on record within three working days of its execution, when the registry is required to be made in the parish where the act was executed, and within five working days, if the registry is HB NO. 496 ENROLLED

required to be made in any other parish of this state, it shall have and enjoy the same priority in regard to the effective date of such recordation as is accorded vendor's liens under the provisions of Louisiana Civil Code Article 3274, without regard to the time for recordation as provided therein. The mortgages provided for in this Section shall remain in force for a period of forty-one years from the date of their filing or for a period of forty-one years from the date of any reinscription.

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APPROVED: \_

Section 2. R.S. 6:830(B), (D)(3), and (G)(5) are hereby repealed in their entirety.

Section 3. This Act shall become effective on January 1, 2016 and shall apply to all mortgages and vendor's privileges governed by R.S. 6:830 in existence and effective on that date, and shall apply to all such mortgages and vendor's privileges arising after that date. Nevertheless, if the application of this Act to such a mortgage or vendor's privilege that is effective against third parties at the time this Act takes effect would cause the effect of recordation of the mortgage or vendor's privilege to cease before January 1, 2019, the effect of recordation of the mortgage or vendor's privilege shall continue until January 1, 2019, or until the date on which filing of a notice of reinscription would have been required by the law in effect immediately before this Act becomes effective, whichever first occurs. On that date, the effect of recordation of the mortgage or vendor's privilege shall cease unless a notice of reinscription has been filed as provided by Article 3362 of the Civil Code.

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