

HOUSE RESEARCH

Bill Summary

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Subject: Foreclosure; rights of political subdivisions

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Overview

This bill reduces the period of time during which a property owner may request a hearing after being ordered to secure the property, requires a political subdivision to be notified in certain mortgage foreclosure actions, and grants costs, disbursements, and attorney fees to a political subdivision for its actions to reduce the redemption period on an abandoned property.

Section

- 1 Securing building by city; lien.** Reduces the time period for a building owner to request a hearing on an order to secure the building and property from 14 days to six days. After the period has elapsed, the governing body of the municipality is permitted to secure the building on its own and assess the charges to the property.
- 2 Notice of sale; service.** Requires that a notice of a foreclosure be delivered to the municipality in which the premises is located, in addition to existing requirements that the notice be published and served upon the person in possession of the premises.
- 3 Requisites of notice.** Requires that a notice of foreclosure include the name and contact information of a current representative of the mortgagee who has authority to negotiate a resolution to the foreclosure and respond to property maintenance concerns of the municipality where the premises is located.
- 4 Certificate of sale; delivery to political subdivision.** Requires a purchaser to deliver a copy of a certificate of sale to the municipality where the premises is located, along with the common street address of the premises and the name and address of the responsible property taxpayer for the premises.
- 5 Reinstatement.** Adds to the costs that must be paid in order for a foreclosed mortgage to be reinstated. The individual seeking to reinstate the mortgage would be required to pay any costs incurred as a result of a court order to reduce the length of the redemption period because the premises was abandoned, including newly-permitted costs, disbursements, and

attorney fees of a political subdivision that may be awarded under section 7 of this bill.

- 6 **Allowable costs collectable upon redemption.** Adds as permitted costs that may be paid and claimed upon redemption new costs that may be awarded by section 7 of this bill related to certain costs, disbursements, and attorney fees of a political subdivision.
- 7 **Costs.** Requires a political subdivision to be awarded costs, disbursements, and reasonable attorney fees incurred related to a proceeding to reduce the redemption period on a foreclosed abandoned property. The party foreclosing the mortgage or holding the sheriff's certificate is liable for the award, but may recover those amounts on redemption or reinstatement of the mortgage.