

2007 -- H 5322

LC01311

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2007

A N A C T

RELATING TO PROPERTY - FORM AND EFFECT OF CONVEYANCES

Introduced By: Representatives DeSimone, Palumbo, Corvese, Petrarca, and Lally

Date Introduced: February 06, 2007

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

SECTION 1. Chapter 34-11 of the General Laws entitled "Form and Effect of Conveyances" is hereby amended by adding thereto the following section:

34-11-21.1. Deficiency after foreclosure sale. - - The obligor in any bond or note specified in section 34-11-22 of this chapter, with respect to any bond and with respect to any note given after the effective date of this act, may file an answer in an action for deficiency disputing the amount of the deficiency. In that event, both parties may introduce evidence as to the fair market value of the mortgaged premises at the time of the sale thereof in the foreclosure action, and the court, with or without a jury, shall determine the amount of such deficiency by deducting from the debt secured the amount determined as the fair market value of the premises. If all parties to the action shall so agree, the court may accept as the fair market value of the mortgaged premises the value fixed by three (3) appraisers, to be named by agreement of all the parties to the action, which agreement shall be evidenced by a stipulation to be filed in the action.

SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would establish evidence of the fair market value of a foreclosed premises as a
2 set off against a deficiency action filed by the mortgagee against the mortgager.
3 This act would take effect upon passage.

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