



HOUSE BILL 513: Real Property/Technical Corrections

2015-2016 General Assembly

Committee:	Senate Judiciary II	Date:	May 18, 2015
Introduced by:	Reps. Bryan, Stevens	Prepared by:	Janice Paul
Analysis of:	PCS to First Edition H513-CSTJ-32		Committee Counsel

SUMMARY: *The Proposed Committee Substitute (PCS) for House Bill 513 makes conforming changes regarding the effect of recordation of a satisfaction of mortgages and deeds of trusts, and amends the North Carolina Condominium Act to make it consistent with the North Carolina Planned Community Act with regard to the transfer of special declarant rights. The PCS makes clarifying and technical changes.*

BILL ANALYSIS:

Section 1. G.S. 45-36.10 provides the requirements for the content and effect of a satisfaction of a security instrument (mortgage or deed of trust). The next section, G.S. 45-36.11, was amended by Session Law 2012-150 to provide an alternate mortgage satisfaction form that allows a secured creditor to indicate that the underlying obligation has been extinguished.

The PCS makes a change to provide that the recording of the satisfaction of the security instrument does not by itself extinguish liability *unless* the recorded document expressly states that the underlying obligation secured by the security instrument has been extinguished and the underlying note or other instrument evidencing the obligation has been cancelled.

Section 2. S.L. 2014-57 amended Chapter 47F, "North Carolina Planned Community Act," pertaining to the transfer of special declarant rights. The PCS for HB 513 would make changes to G.S. Chapter 47C, "North Carolina Condominium Act," to make the provisions relating to the transfer of special declarant rights consistent with those provisions as contained in the North Carolina Planned Community Act.

EFFECTIVE DATE: This act is effective when it becomes law.

Layla Cummings, counsel to House Judiciary IV, contributed to this summary.

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