
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Tim Burns

HB No. 802

Abstract: Provides for types of mortgages securing a future obligation and provides that the effect of recordation ceases 10 years after its date unless the mortgage specifies otherwise.

Present law provides that a mortgage may secure obligations that may arise in the future.

Proposed law provides that a mortgage securing obligations arising in the future may include future advance mortgage, multiple indebtedness mortgage, a home equity mortgage, or a home equity line of credit mortgage.

Present law provides that the mortgage continues until it is terminated by the mortgagor or his successor in the manner provided in present law or until the mortgage is extinguished in some other lawful manner.

Proposed law provides that the effect of recordation of the mortgage ceases 10 years after its date unless the mortgage describes the maturity date of any obligation it secures, in which case, the effect of recordation is governed by Civil Code Arts. 3357 and 3358.

(Amends C.C. Art. 3298(A) and (E))