
DIGEST

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HB No. 803

Abstract: Provides examples of bond for deed contracts and makes any lien, privilege, or judgment filed after the bond for deed contract subject to the rights created by the bond for deed contract.

Present law defines a bond for deed as a contract to sell real property, in which the purchase price is to be paid by the buyer to the seller in installments and in which the seller, after payment of a stipulated sum, agrees to deliver title to the buyer.

Proposed law retains present law and provides that a bond for deed may include but is not limited to a contract for sale, an installment sales contract, an option or memorandum of option, an escrow agreement or agreement to purchase or sell under La. escrow agreement, or any agreement, the intent of which is the transfer of title by the seller to a purchaser at a future date.

Present law provides that upon the recordation in the mortgage and conveyance records of a bond for deed contract, any sale, contract, counterletter, lease, or conventional or collateral mortgage executed by the bond for deed seller shall be subject to the rights created by the bond for deed contract. Further provides that no lien, privilege, or judgment relating to or purporting to affect immovable property that has not been filed previously for registry or recorded in the mortgage records shall be subject to the rights created by the bond for deed contract.

Present law provides that following registry of the bond for deed contract, any instrument that was filed in the mortgage records after the filing of the bond for deed contract shall be cancelled by the clerk of court upon request by affidavit of any interested party, but only insofar as it affects the property described in the bond for deed and subsequent sale, after the noteholder or lienholder has been given 30 days written notice and fails to execute a release.

Proposed law retains present law, except that the reference to conventional or collateral mortgages is changed to apply to any mortgage, and proposed law provides that any lien, privilege, or judgment relating to or purporting to affect immovable property that has not been filed prior to the bond for deed contract shall be subject to the rights created by the bond for deed contract.

(Amends R.S. 9:2941 and 2941.1(A))