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## DIGEST

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HB 496 Original

2015 Regular Session

Willmott

**Abstract:** Changes the 41-year period for reinscription of mortgages in favor of savings and loans to a 10-year period as provided by the Civil Code general provisions on registry.

Present law provides provisions for security for loans on movable and immovable property granted by savings and loan associations.

Present law provides that mortgages recorded in favor of savings and loan associations remain in full force and effect without the necessity of being reinscribed in the mortgage records for a period of 41 years from the date of inscription for immovable property and for 31 years for home appliances and equipment.

Proposed law deletes present law and applies the general rules of registry of Civil Code Articles 3357 and 3358 which provide the effect of recordation ceases 10 years after the date of the instrument, and that if the instrument specifies a maturity date nine years or more after the date of the instrument, the effect of recordation ceases six years after the latest described maturity date.

Proposed law provides for retroactive application of the prescriptive period to existing mortgages that have not yet prescribed, so that the mortgages shall prescribe upon the earlier of the application of proposed law or the law applicable when the mortgages were recorded.

Proposed law provides that the recordation of the authentic act evidencing a mortgage on home appliances and equipment shall be binding on third persons and need not be reinscribed for five years from the date of inscription, but if a mortgage on home appliances and equipment matures more than five years from the date of the instrument, the effect of recordation ceases five years after the latest maturity date described in the instrument.

Proposed law deletes present law which provides that the vendor's privilege and mortgages of equal rank to the vendor's privilege shall remain in force for a period of 41 years from the date of inscription.

Provides that present law shall be liberally construed in favor of notes secured by a vendor's privilege and mortgage in favor of an association.

Proposed law repeals present law.

(Amends R.S. 6:830(F), (G)(4), and (H)(2); Repeals R.S. 6:830(G)(5))