

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H

D

HOUSE DRH70257-MD-93A* (3/12)

Short Title: Abolish Certain Deficiency Judgments.

(Public)

Sponsors: Representative Blue.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ABOLISH DEFICIENCY JUDGMENTS WHERE THE MORTGAGE IS
3 SECURED BY PRIMARY RESIDENCE.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Article 2B of Chapter 45 of the General Statutes is amended by
6 adding a new section to read:

7 "§ 45-21.38A. Deficiency judgments abolished where mortgage secured by primary
8 residence and foreclosed under power of sale.

9 In all sales of real property secured by a primary residence by mortgagees or trustees under
10 powers of sale contained in any mortgage or deed of trust, the mortgagee or trustee or holder of
11 the notes secured by such mortgage or deed of trust shall not be entitled to a deficiency
12 judgment on account of such mortgage, deed of trust, or obligation secured by the same."

13 SECTION 2. Article 2B of Chapter 45 of the General Statutes is amended by
14 adding a new section to read:

15 "§ 45-21.38B. Deficiency judgments abolished where mortgage secured by primary
16 residence and made on or after January 1, 2010.

17 In all sales of real property secured by a primary residence, the mortgagee or trustee or
18 holder of the notes secured by such mortgage or deed of trust shall not be entitled to a
19 deficiency judgment on account of such mortgage, deed of trust, or obligation secured by the
20 same. This section applies regardless of whether the real property is sold under a power of sale
21 or as a result of court action. This section applies to mortgages made on or after January 1,
22 2010."

23 SECTION 3. Article 2B of Chapter 45 of the General Statutes is amended by
24 adding a new section to read:

25 "§ 45-21.38C. Severability.

26 The provisions of this Article shall be severable, and if any phrase, clause, sentence, or
27 provision is declared to be unconstitutional or otherwise invalid or is preempted by federal law
28 or regulation, the validity of the remainder of this section shall not be affected thereby."

29 SECTION 4. This act is effective when it becomes law.

