

See Judiciary 4/5

Amend per 50852

to Pass 1/30/80 (p. 278)

FILED MAR 20 1980

SENATE FILE **468**

By COMMITTEE ON JUDICIARY

Approved 2/23 (p. 941)

Passed Senate, Date 4-11-79 (p. 1192) Passed House, Date 2-7-80 (p. 415)

Vote: Ayes 48 Nays 1 Vote: Ayes 82 Nays 14

Approved March 13 1980

motion to reconsider, granted 2/24

Repassed House 2-29-80 (p. 720)
81-5

A BILL FOR

1 An Act relating to the forfeiture of installment real
2 estate contracts.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section six hundred fifty-six point two (656.2),
2 unnumbered paragraph one (1), Code 1979, is amended to read
3 as follows:

4 Such forfeiture and cancellation shall be initiated by
5 the vendor or by his or her successor in interest, by serving
6 or causing to be served on the vendee or his or her successor
7 in interest, if known to the vendor or his or her successor
8 in interest, and on the mortgagee or assignee for security
9 purposes of the vendee or his or her successor in interest,
10 if the interest of such mortgagee or assignee for security
11 purposes is of record, and on the party in possession of said
12 real estate, a written notice which shall:

13 Sec. 2. Section six hundred fifty-six point four (656.4),
14 Code 1979, is amended to read as follows:

15 656.4 COMPLIANCE WITH NOTICE. The right to forfeit for
16 breach occurring before said notice was served shall terminate
17 if, prior to the expiration of the day for performance as
18 specified in the notice, the party in default, or the mortgagee
19 or assignee for security purposes of the party in default,
20 performs the terms and conditions as to which he or she is
21 in default, and pays to the party not in default the reasonable
22 cost of serving said notice.

23 Sec. 3. This Act applies to all forfeitures and
24 cancellations of real estate contracts initiated on or after
25 the effective date of this Act.

26 Sec. 4. This Act is effective January first following
27 its enactment.

28 EXPLANATION

29 This bill requires that lenders who loan money to a contract
30 purchaser and receive assignments of the purchaser's contract
31 rights as collateral security receive notice of an intended
32 forfeiture by the contract seller and be given the opportunity
33 to correct the contract purchaser's default.

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SENATE FILE 468

H-5085

- 1 Amend Senate File 468 as follows:
- 2 1. Page 1, line 22, by inserting after the word
- 3 "of" the words "preparing and".

H-5085 FILED *Adopted 2/7 (p 413)*
JANUARY 30, 1980

BY COMMITTEE ON JUDICIARY & LAW
ENFORCEMENT, SHIMANEK, Chairperson

SENATE FILE 468

H-5139

- 1 Amend Senate File 468 as follows:
- 2 1. Page 1, by inserting after line 22 the following
- 3 new section:
- 4 "Sec. ____ Chapter six hundred fifty-six (656),
- 5 Code 1979, is amended by adding the following new
- 6 section:
- 7 NEW SECTION. ACTION TO ENJOIN FORFEITURE--COSTS.
- 8 If the vendee or the vendee's successor in interest
- 9 files an action to enjoin the forfeiture and the court
- 10 finds that no cause exists for the forfeiture or the
- 11 vendor or the vendor's successor in interest agrees
- 12 that no cause exists, the vendor or the vendor's
- 13 successor in interest shall pay to the vendee or the
- 14 vendee's successor in interest the costs incurred
- 15 in bringing the action to enjoin the forfeiture,
- 16 including reasonable attorney fees."
- 17 2. By renumbering sections as required by this
- 18 amendment.

H-5139 FILED *Adopted as amended* BY HUMMEL of Benton
FEBRUARY 4, 1980 *by 5180 2/7 (p 414)*

Motion to reconsider, prevailed 2/29
Withdrawn 2/29 (p 719)

SENATE FILE 468

H-5180

- 1 Amend the amendment, H-5139, to Senate File 468
- 2 as follows:
- 3 1. By striking lines 10 through 15, and by
- 4 inserting in lieu thereof the following: "finds
- 5 that either party has asserted a claim or defense
- 6 with no substantial merit of law or fact, or
- 7 either party agrees that he or she has asserted
- 8 an unmeritorious claim or defense, that party shall
- 9 pay to the offended party the costs occasioned by the
- 10 unmeritorious claim or defense,".

H-5180 FILED
FEBRUARY 7, 1980

BY CONLON of Muscatine

ADOPTED (p 414)

Motion to reconsider, prevailed 2/29
Withdrawn 2/29 (p 719)

Sec. 4. This Act is effective January first following its enactment.

SENATE FILE 468

AN ACT
RELATING TO THE FORFEITURE OF INSTALLMENT REAL ESTATE CON-
TRACTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section six hundred fifty-six point two (656.2), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

Such forfeiture and cancellation shall be initiated by the vendor or by his or her successor in interest, by serving or causing to be served on the vendee or his or her successor in interest, if known to the vendor or his or her successor in interest, and on the mortgagee or assignee for security purposes of the vendee or his or her successor in interest, if the interest of such mortgagee or assignee for security purposes is of record, and on the party in possession of said real estate, a written notice which shall:

Sec. 2. Section six hundred fifty-six point four (656.4), Code 1979, is amended to read as follows:

656.4 COMPLIANCE WITH NOTICE. The right to forfeit for breach occurring before said notice was served shall terminate if, prior to the expiration of the day for performance as specified in the notice, the party in default, or the mortgagee or assignee for security purposes of the party in default, performs the terms and conditions as to which he or she is in default, and pays to the party not in default the reasonable cost of serving said notice.

Sec. 3. This Act applies to all forfeitures and cancellations of real estate contracts initiated on or after the effective date of this Act.

TERRY E. BRANSTAD
President of the Senate

WILLIAM H. HARBOR
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 468, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved March 13, 1980

ROBERT D. RAY
Governor