

see H.R. 31.64

House File 489

JUDICIARY: Varn, Chair; Mann and Drake

MAR 12 1987

Place On Calendar

HOUSE FILE **489**  
BY COMMITTEE ON JUDICIARY  
LAW ENFORCEMENT

(Formerly House File 195) -

Passed House, Date 3-7-87 (p. 1761) Passed Senate, Date 4-13-87 (p. 1238)  
Vote: Ayes 95 Nays 0 Vote: Ayes 46 Nays 0  
Approved April 29, 1987 (p. 1761)

A BILL FOR

1 An Act relating to ensuring that the title to agricultural land  
2 is not affected by the failure of a creditor to receive a  
3 mediation release, regardless of its validity.

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

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HF 489

1 Section 1. Section 654.2C, Code 1987, is amended to read  
2 as follows:

3 654.2C MEDIATION NOTICE -- FORECLOSURE ON AGRICULTURAL  
4 PROPERTY.

5 A person shall not initiate a proceeding under this chapter  
6 to foreclose a deed of trust or mortgage on agricultural  
7 property, as defined in section 654A.1, which is subject to  
8 chapter 654A and which is subject to a debt of twenty thousand  
9 dollars or more under the deed of trust or mortgage unless the  
10 person receives a mediation release under section 654A.11, or  
11 unless the court determines after notice and hearing that the  
12 time delay required for the mediation would cause the person  
13 to suffer irreparable harm. Title to land that is  
14 agricultural property is not affected by the failure of any  
15 creditor to receive a mediation release, regardless of its  
16 validity.

17 Sec. 2. Section 654A.6, subsection 1, Code 1987, is  
18 amended to read as follows:

19 1. A creditor subject to this chapter desiring to initiate  
20 a proceeding to enforce a debt against agricultural property  
21 which is real estate under chapter 654, to forfeit a contract  
22 to purchase agricultural property under chapter 656, to  
23 enforce a secured interest in agricultural property under  
24 chapter 554, or to otherwise garnish, levy on, execute on,  
25 seize, or attach agricultural property, shall file a request  
26 for mediation with the farm mediation service. The creditor  
27 ~~may~~ shall not begin the proceeding subject to this chapter  
28 until the creditor receives a mediation release, or until the  
29 court determines after notice and hearing that the time delay  
30 required for the mediation would cause the creditor to suffer  
31 irreparable harm. Title to land that is agricultural property  
32 is not affected by the failure of any creditor to receive a  
33 mediation release regardless of its validity. The time period  
34 for the notice of right to cure provided in section 654.2A  
35 shall run concurrently with the time period for the mediation

1 period provided in this section and section 654A.10.

2 Sec. 3. Section 656.8, Code 1987, is amended to read as  
3 follows:

4 656.8 MEDIATION NOTICE.

5 Notwithstanding ~~the provisions of~~ sections 656.1 through  
6 656.5, a person shall not initiate proceedings under this  
7 chapter to forfeit a real estate contract for the purchase of  
8 agricultural property, as defined in section 654A.1, which is  
9 subject to an outstanding obligation on the contract of twenty  
10 thousand dollars or more unless the person received a  
11 mediation release under section 654A.11, or unless the court  
12 determines after notice and hearing that the time delay  
13 required for the mediation would cause the person to suffer  
14 irreparable harm. Title to land that is agricultural property  
15 is not affected by the failure of any creditor to receive a  
16 mediation release, regardless of its validity.

17 EXPLANATION

18 This bill relates to ensuring that a creditor who takes  
19 legal action to reach land which is agricultural property will  
20 not cause a cloud on the title because the creditor failed to  
21 receive a mediation release regardless of its validity.

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HOUSE FILE 489

AN ACT

RELATING TO ENSURING THAT THE TITLE TO AGRICULTURAL LAND IS NOT AFFECTED BY THE FAILURE OF A CREDITOR TO RECEIVE A MEDIATION RELEASE, REGARDLESS OF ITS VALIDITY.

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

Section 1. Section 654.2C, Code 1987, is amended to read as follows:

654.2C MEDIATION NOTICE -- FORECLOSURE ON AGRICULTURAL PROPERTY.

A person shall not initiate a proceeding under this chapter to foreclose a deed of trust or mortgage on agricultural property, as defined in section 654A.1, which is subject to chapter 654A and which is subject to a debt of twenty thousand dollars or more under the deed of trust or mortgage unless the person receives a mediation release under section 654A.11, or unless the court determines after notice and hearing that the time delay required for the mediation would cause the person to suffer irreparable harm. Title to land that is agricultural property is not affected by the failure of any

creditor to receive a mediation release, regardless of its validity.

Sec. 2. Section 654A.6, subsection 1, Code 1987, is amended to read as follows:

1. A creditor subject to this chapter desiring to initiate a proceeding to enforce a debt against agricultural property which is real estate under chapter 654, to forfeit a contract to purchase agricultural property under chapter 656, to enforce a secured interest in agricultural property under chapter 554, or to otherwise garnish, levy on, execute on, seize, or attach agricultural property, shall file a request for mediation with the farm mediation service. The creditor ~~may~~ shall not begin the proceeding subject to this chapter until the creditor receives a mediation release, or until the court determines after notice and hearing that the time delay required for the mediation would cause the creditor to suffer irreparable harm. Title to land that is agricultural property is not affected by the failure of any creditor to receive a mediation release regardless of its validity. The time period for the notice of right to cure provided in section 654.2A shall run concurrently with the time period for the mediation period provided in this section and section 654A.10.

Sec. 3. Section 656.8, Code 1987, is amended to read as follows:

656.8 MEDIATION NOTICE.

Notwithstanding the ~~provisions of~~ sections 656.1 through 656.5, a person shall not initiate proceedings under this chapter to forfeit a real estate contract for the purchase of agricultural property, as defined in section 654A.1, which is subject to an outstanding obligation on the contract of twenty thousand dollars or more unless the person received a mediation release under section 654A.11, or unless the court determines after notice and hearing that the time delay required for the mediation would cause the person to suffer irreparable harm. Title to land that is agricultural property

is not affected by the failure of any creditor to receive a mediation release, regardless of its validity.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 489, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved April 29, 1987

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TERRY E. BRANSTAD  
Governor