

reprinted

FILED FEB 27 1989
Commerce 3-3-89 (p. 616)
DO PASS 3-8-89 (p. 685)

SENATE FILE 291
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 101)

Passed Senate, Date 3-13-89 (p. 753) Passed House, Date 5-4-89 (p. 2405)
Vote: Ayes 410 Nays 0 Vote: Ayes 93 Nays 0
Approved May 30, 1989

A BILL FOR

325 1 An Act relating to security interests in mobile homes by
2 permitting the secured party to retain the mobile home title,
3 accompanied by a fixture filing to perfect the security
4 interest and provide notice to third parties, and by
5 permitting secured parties, including mortgagees, to apply for
6 reconversion of a mobile home from real property to personal
7 property.

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

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SENATE FILE 291

S-3251

- 1 Amend Senate File 291 as follows:
- 2 1. Page 1, lines 22 and 23, by striking the words
- 3 "and make a fixture filing as provided in section
- 4 554.9402,".
- 5 2. Page 3, by striking lines 6 through 9, and
- 6 inserting the following: "chapter 554."
- 7 3. Title page, by striking lines 3 and 4, and
- 8 inserting the following: "and by".

By C. JOSEPH COLEMAN

S-3251 FILED MARCH 13, 1989

ADOPTED 3-13-89 (p. 753)

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1 Section 1. Section 135D.26, subsection 2, Code 1989, is
2 amended to read as follows:

3 2. After complying with subsection 1, the owner shall
4 notify the assessor who shall inspect the new premises for
5 compliance. If a security interest is noted on the certificate
6 of title, the assessor shall require an affidavit, as defined
7 in section 622.85, from the mobile home owner, declaring that
8 the owner has complied with subsection 1, paragraph "c", and
9 ~~shall send notice of the proposed conversion to the secured~~
10 ~~party by regular mail not less than ten days before the~~
11 ~~conversion becomes effective. When the mobile home is~~
12 ~~properly converted, the assessor shall then collect the mobile~~
13 ~~home vehicle title and enter the property upon the tax rolls~~
14 setting forth the method of compliance.

15 a. If compliance with subsection 1, paragraph "c", has
16 been accomplished by the secured party accepting the tender of
17 a mortgage, the assessor shall collect the mobile home vehicle
18 title and enter the property upon the tax rolls.

325 19 b. If compliance with subsection 1, paragraph "c", has
20 been accomplished by the secured party consenting to the
21 conversion without accepting a mortgage, the secured party
22 shall retain the mobile home vehicle title and make a fixture
23 filing as provided in section 554.9402, and the assessor shall
24 note the conversion on the assessor's records and enter the
25 property upon the tax rolls.

26 Sec. 2. Section 135D.27, subsection 2, Code 1989, is
27 amended to read as follows:

28 2. If the vehicular frame of the former mobile home can be
29 modified to return it to the status of a mobile home, the
30 owner or a secured party holding a mortgage or certificate of
31 title pursuant to section 135D.26 who has obtained possession
32 of the mobile home may apply to the county treasurer as
33 provided in section 321.20 for a certificate of title for the
34 mobile home. If a mortgage exists on the real estate, a
35 security interest in the mobile home shall be given to the a

1 secured party not applying for reconversion and noted on the
2 certificate of title with the same priority or a higher
3 priority than the secured party's mortgage interest. A
4 reconversion shall not occur without the written consent of
5 the-mortgagee every secured party holding a mortgage or
6 certificate of title.

7 If the secured party has elected to retain the mobile home
8 vehicle title pursuant to section 135D.26, subsection 2,
9 paragraph "b", an owner applying for reconversion shall
10 present to the county treasurer written consent to the
11 reconversion from all secured parties and an affirmation from
12 the secured party holding the title that the title is in its
13 possession and is intact. Upon receipt of the affirmation,
14 the county treasurer shall notify the assessor of the
15 reconversion, which notification constitutes compliance by the
16 owner with subsection 3.

17 Sec. 3. Section 321.50, subsection 1, Code 1989, is
18 amended to read as follows:

35(19 1. A security interest in a vehicle subject to
20 registration under the laws of this state or a mobile home,
21 except trailers whose empty weight is two thousand pounds or
22 less, and except new or used vehicles held by a dealer or
23 manufacturer as inventory for sale, is perfected by the
24 delivery to the county treasurer of the county where the
25 certificate of title was issued or, in the case of a new
26 certificate, to the county treasurer where the certificate
27 will be issued, of an application for certificate of title
28 which lists the security interest, or an application for
29 notation of security interest signed by the owner, or by one
30 owner of a vehicle owned jointly by more than one person, or a
31 certificate of title from another jurisdiction which shows the
32 security interest, and a fee of five dollars for each security
33 interest shown. If the owner or secured party is in
34 possession of the certificate of title, it must also be
35 delivered at this time in order to perfect the security

1 interest. If a vehicle is subject to a security interest when
2 brought into this state, the validity of the security interest
3 and the date of perfection is determined by section 554.9103.
4 Delivery as provided in this subsection is an indication of a
5 security interest on a certificate of title for purposes of
6 chapter 554. A security interest in a mobile home which has
7 been converted to real property pursuant to section 135D.26
8 held by a party retaining title to the mobile home shall be
9 continued by a fixture filing as provided in section 554.9402.

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EXPLANATION

This bill provides an alternative security interest to the traditional mortgage for mobile homes by permitting a secured party the option to retain the title to the mobile home and to perfect the security interest by making a fixture filing to provide notice to third parties of the security interest.

The bill permits a person to perfect a security interest in a mobile home, which has been converted to real property, by taking or retaining possession of the title to the mobile home in lieu of a mortgage. Currently, a mortgage is the only permitted form of security interest when the owner converts the mobile home to real estate. To provide adequate notice, the bill provides that if the title option is chosen, the secured party must perfect the security interest by making a fixture filing. The bill permits a secured party who obtains possession of a mobile home which has been converted to real estate to apply for reconversion to a mobile home. (A mobile home starts out as personal property, like an automobile, but can be converted to real estate when it is attached to real estate as a fixture, like any other type of building; however, by its nature a mobile home may be reconverted to personal property when it is detached from the land to be moved.)

House Small Bus. of Comm.
DO PASS 4-5-89 (p. 1297)

SENATE FILE 291
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 101)

(AS AMENDED AND PASSED BY THE SENATE MARCH 13, 1989)

- New Language by the Senate

* - Language Stricken by the Senate

Passed Senate, Date 5/13/89 (p. 753) Passed House, Date 5/4/89 (p. 2400)

Vote: Ayes 46 Nays 0 Vote: Ayes 93 Nays 0

Approved May 30, 1989

A BILL FOR

1 An Act relating to security interests in mobile homes by
2 permitting the secured party to retain the mobile home title,
3 and by permitting secured parties, including mortgagees, to
4 apply for reconversion of a mobile home from real property to
5 personal property.

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

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S.F. 291

1 Section 1. Section 135D.26, subsection 2, Code 1989, is
2 amended to read as follows:

3 2. After complying with subsection 1, the owner shall
4 notify the assessor who shall inspect the new premises for
5 compliance. If a security interest is noted on the certificate
6 of title, the assessor shall require an affidavit, as defined
7 in section 622.85, from the mobile home owner, declaring that
8 the owner has complied with subsection 1, paragraph "c", and
9 ~~shall send notice of the proposed conversion to the secured~~
10 ~~party by regular mail not less than ten days before the~~
11 ~~conversion becomes effective. When the mobile home is~~
12 ~~properly converted, the assessor shall then collect the mobile~~
13 ~~home vehicle title and enter the property upon the tax rolls~~
14 setting forth the method of compliance.

15 a. If compliance with subsection 1, paragraph "c", has
16 been accomplished by the secured party accepting the tender of
17 a mortgage, the assessor shall collect the mobile home vehicle
18 title and enter the property upon the tax rolls.

19 b. If compliance with subsection 1, paragraph "c", has
20 been accomplished by the secured party consenting to the
21 conversion without accepting a mortgage, the secured party
* 22 shall retain the mobile home vehicle title and the assessor
23 shall note the conversion on the assessor's records and enter
24 the property upon the tax rolls.

25 Sec. 2. Section 135D.27, subsection 2, Code 1989, is
26 amended to read as follows:

27 2. If the vehicular frame of the former mobile home can be
28 modified to return it to the status of a mobile home, the
29 owner or a secured party holding a mortgage or certificate of
30 title pursuant to section 135D.26 who has obtained possession
31 of the mobile home may apply to the county treasurer as
32 provided in section 321.20 for a certificate of title for the
33 mobile home. If a mortgage exists on the real estate, a
34 security interest in the mobile home shall be given to the a
35 secured party not applying for reconversion and noted on the

1 certificate of title with the same priority or a higher
2 priority than the secured party's mortgage interest. A
3 reconversion shall not occur without the written consent of
4 ~~the mortgagee~~ every secured party holding a mortgage or
5 certificate of title.

6 If the secured party has elected to retain the mobile home
7 vehicle title pursuant to section 135D.26, subsection 2,
8 paragraph "b", an owner applying for reconversion shall
9 present to the county treasurer written consent to the
10 reconversion from all secured parties and an affirmation from
11 the secured party holding the title that the title is in its
12 possession and is intact. Upon receipt of the affirmation,
13 the county treasurer shall notify the assessor of the
14 reconversion, which notification constitutes compliance by the
15 owner with subsection 3.

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19 registration under the laws of this state or a mobile home,
20 except trailers whose empty weight is two thousand pounds or
21 less, and except new or used vehicles held by a dealer or
22 manufacturer as inventory for sale, is perfected by the
23 delivery to the county treasurer of the county where the
24 certificate of title was issued or, in the case of a new
25 certificate, to the county treasurer where the certificate
26 will be issued, of an application for certificate of title
27 which lists the security interest, or an application for
28 notation of security interest signed by the owner, or by one
29 owner of a vehicle owned jointly by more than one person, or a
30 certificate of title from another jurisdiction which shows the
31 security interest, and a fee of five dollars for each security
32 interest shown. If the owner or secured party is in
33 possession of the certificate of title, it must also be
34 delivered at this time in order to perfect the security
35 interest. If a vehicle is subject to a security interest when

1 brought into this state, the validity of the security interest
2 and the date of perfection is determined by section 554.9103.
3 Delivery as provided in this subsection is an indication of a
4 security interest on a certificate of title for purposes of
5 chapter 554.

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COLEMAN, CH.
DOYLE
TAYLOR

SSB 101
JUDICIARY
NOW

SENATE FILE 291
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to security interests in mobile homes by
2 permitting the secured party to retain the mobile home title,
3 accompanied by a fixture filing to perfect the security
4 interest and provide notice to third parties, and by
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34 mobile home. If a mortgage exists on the real estate, a
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3 priority than the secured party's mortgage interest. A
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5 the-mortgagee every secured party holding a mortgage or
6 certificate of title.

7 If the secured party has elected to retain the mobile home
8 vehicle title pursuant to section 135D.26, subsection 2,
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27 will be issued, of an application for certificate of title
28 which lists the security interest, or an application for
29 notation of security interest signed by the owner, or by one
30 owner of a vehicle owned jointly by more than one person, or a
31 certificate of title from another jurisdiction which shows the
32 security interest, and a fee of five dollars for each security
33 interest shown. If the owner or secured party is in
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1 interest. If a vehicle is subject to a security interest when
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7 been converted to real property pursuant to section 135D.26
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10 EXPLANATION

11 This bill provides an alternative security interest to the
12 traditional mortgage for mobile homes by permitting a secured
13 party the option to retain the title to the mobile home and to
14 perfect the security interest by making a fixture filing to
15 provide notice to third parties of the security interest.

16 The bill permits a person to perfect a security interest in
17 a mobile home, which has been converted to real property, by
18 taking or retaining possession of the title to the mobile home
19 in lieu of a mortgage. Currently, a mortgage is the only
20 permitted form of security interest when the owner converts
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25 possession of a mobile home which has been converted to real
26 estate to apply for reconversion to a mobile home. (A mobile
27 home starts out as personal property, like an automobile, but
28 can be converted to real estate when it is attached to real
29 estate as a fixture, like any other type of building; however,
30 by its nature a mobile home may be reconverted to personal
31 property when it is detached from the land to be moved.)

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SENATE FILE 291

AN ACT

RELATING TO SECURITY INTERESTS IN MOBILE HOMES BY PERMITTING THE SECURED PARTY TO RETAIN THE MOBILE HOME TITLE, AND BY PERMITTING SECURED PARTIES, INCLUDING MORTGAGEES, TO APPLY FOR RECONVERSION OF A MOBILE HOME FROM REAL PROPERTY TO PERSONAL PROPERTY.

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

Section 1. Section 135D.26, subsection 2, Code 1989, is amended to read as follows:

2. After complying with subsection 1, the owner shall notify the assessor who shall inspect the new premises for compliance. If a security interest is noted on the certificate of title, the assessor shall require an affidavit, as defined in section 622.85, from the mobile home owner, declaring that the owner has complied with subsection 1, paragraph "c", and ~~shall send notice of the proposed conversion to the secured party by regular mail not less than ten days before the conversion becomes effective--When the mobile home is properly converted, the assessor shall then collect the mobile home vehicle title and enter the property upon the tax rolls setting forth the method of compliance.~~

a. If compliance with subsection 1, paragraph "c", has been accomplished by the secured party accepting the tender of a mortgage, the assessor shall collect the mobile home vehicle title and enter the property upon the tax rolls.

b. If compliance with subsection 1, paragraph "c", has been accomplished by the secured party consenting to the conversion without accepting a mortgage, the secured party shall retain the mobile home vehicle title and the assessor shall note the conversion on the assessor's records and enter the property upon the tax rolls.

Sec. 2. Section 135D.27, subsection 2, Code 1989, is amended to read as follows:

2. If the vehicular frame of the former mobile home can be modified to return it to the status of a mobile home, the owner or a secured party holding a mortgage or certificate of title pursuant to section 135D.26 who has obtained possession of the mobile home may apply to the county treasurer as provided in section 321.20 for a certificate of title for the mobile home. If a mortgage exists on the real estate, a security interest in the mobile home shall be given to the a secured party not applying for reconversion and noted on the certificate of title with the same priority or a higher priority than the secured party's mortgage interest. A reconversion shall not occur without the written consent of the mortgagee every secured party holding a mortgage or certificate of title.

If the secured party has elected to retain the mobile home vehicle title pursuant to section 135D.26, subsection 2, paragraph "b", an owner applying for reconversion shall present to the county treasurer written consent to the reconversion from all secured parties and an affirmation from the secured party holding the title that the title is in its possession and is intact. Upon receipt of the affirmation, the county treasurer shall notify the assessor of the reconversion, which notification constitutes compliance by the owner with subsection 3.

Sec. 3. Section 321.50, subsection 1, Code 1989, is amended to read as follows:

1. A security interest in a vehicle subject to registration under the laws of this state or a mobile home, except trailers whose empty weight is two thousand pounds or less, and except new or used vehicles held by a dealer or manufacturer as inventory for sale, is perfected by the delivery to the county treasurer of the county where the certificate of title was issued or, in the case of a new certificate, to the county treasurer where the certificate will be issued, of an application for certificate of title which lists the security interest, or an application for notation of security interest signed by the owner, or by one

owner of a vehicle owned jointly by more than one person, or a certificate of title from another jurisdiction which shows the security interest, and a fee of five dollars for each security interest shown. If the owner or secured party is in possession of the certificate of title, it must also be delivered at this time in order to perfect the security interest. If a vehicle is subject to a security interest when brought into this state, the validity of the security interest and the date of perfection is determined by section 554.9103. Delivery as provided in this subsection is an indication of a security interest on a certificate of title for purposes of chapter 554.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 291, Seventy-third General Assembly.

Approved May 30, 1989

JOHN F. DWYER
Secretary of the Senate

TERRY E. BRANSTAD
Governor