

CHAPTER 161**FORFEITURE OF REAL ESTATE CONTRACTS***S.F. 445*

AN ACT relating to the forfeiture of the rights of junior lienholders with respect to real estate contracts and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 656.2, subsection 2, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

2. The vendor shall also serve a copy of the notice required in subsection 1 on the person in possession of the real estate, if different than the vendee; on all the vendee's mortgagees of record; and on a person who asserts a claim against the vendee's interest, except a government or governmental subdivision or agency holding a lien for real estate taxes or assessments, if the person has done both of the following:

a. Requested, on a form which substantially complies with the following form, that notice of forfeiture be served on the person at an address specified in the request.

**"REQUEST FOR NOTICE PURSUANT TO
IOWA CODE SECTION 656.2, SUBSECTION 2**

The undersigned requests service of notice under Iowa Code sections 656.2 and 656.3 to forfeit the contract recorded on the _____ day of _____, 19 _____, in book or roll _____, image or page _____, office of the _____ county recorder, _____ county, Iowa, wherein _____ is/are seller(s) and _____ is/are buyer(s), for sale of real estate legally described as: [insert complete legal description]

NAME

ADDRESS

CAUTION: Your name and address must be correct. If not correct, you will not receive notice requested because notice need only be served on you at the above address. If your address changes, a new request for notice must be filed.

The request for notice shall be indexed pursuant to section 558.50."

b. Filed the request form for record in the office of the county recorder after acquisition of the vendee's interest but prior to the date of recording of the proof and record of service of notice of forfeiture required by section 656.5 and paid a fee of five dollars.

The request for notice is valid for a period of five years from the date of filing with the county recorder. The request for notice may be renewed for additional periods of five years by the procedure specified in this subsection. The request for notice may be amended at any time by the procedure specified in this subsection.

The vendee's mortgagees of record include all assignees of record for collateral purposes.

Sec. 2. NEW SECTION. 656.9 DEFECT IN FORFEITURE PROCEEDINGS.

An action shall not be commenced after July 1, 1992, which asserts a claim against real estate previously subject to a forfeiture proceeding, based upon a defect in the forfeiture proceeding, in which the proof and record of service of notice of forfeiture required by section 656.5 has been filed for record in the office of the county recorder prior to July 1, 1991.

Sec. 3. EFFECTIVE DATE. Section 656.2, as amended by this Act, applies only to forfeiture proceedings for which the proof and record of service of notice required by section 656.5 are filed after July 1, 1991.

Approved May 10, 1991