

CHAPTER 6

RELEASE AND SATISFACTION OF JUDGMENTS

S.F. 244

AN ACT relating to the release and satisfaction of judgments.

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

Section 1. Section 624.23, subsection 2, paragraph c, Code 2011, is amended to read as follows:

c. A party serving a written demand under this subsection may obtain an immediate court order releasing the claimed lien by posting with the clerk of court a cash bond in an amount of at least one hundred twenty-five percent of the outstanding balance owed on the judgment. The court may order that in lieu of posting the bond with the clerk of court, the bond may be deposited in either the trust account of an attorney licensed to practice law in this state or in a federally insured depository institution, along with the restriction that the bond not be disbursed except as the court may direct. A copy of the court order shall be served along with a written demand under this subsection. Thereafter, any execution on the judgment shall be against the bond, subject to all claims and defenses which the moving party had against the execution against the real estate, including but not limited to a lack of equity in the property to support the lien in its proper priority. The bond shall be released ~~by the clerk of court~~ upon demand of its principal or surety if no execution is ordered on the judgment within thirty days of completion of service of the written demand under this subsection.

Sec. 2. Section 624.37, Code 2011, is amended to read as follows:

624.37 Satisfaction of judgment — penalty.

1. When the amount due upon judgment is paid off, or satisfied in full, the party entitled to the proceeds thereof, or those acting for that party, must acknowledge satisfaction of the judgment by the execution of an instrument referring to it, duly acknowledged or notarized in the manner prescribed in chapter 9E, and filed in the office of the clerk in every county wherein the judgment is a lien. A failure to ~~do so~~ acknowledge satisfaction of the judgment in such manner within thirty days after having been requested to do so in a writing containing a draft release of the judgment shall subject the delinquent party to a penalty of ~~one four hundred dollars plus reasonable attorney fees incurred by the party aggrieved, to be recovered in an action for the satisfaction or acknowledgment by the party aggrieved by a motion filed in the court that rendered the original judgment requesting that the payor of the judgment, if different from the judgment debtor, be subrogated to the rights of the judgment creditor, that the court determine the amount currently owed on the judgment, or any other relief as may be necessary to accomplish payment and satisfaction of the judgment. If the motion relates to a lien of judgment as to specific property, the motion may be filed by a person with an interest in the property.~~

2. Upon the filing of an affidavit to the motion that a judgment creditor cannot be located or is unresponsive to requests to accept payment within the thirty-day period described in subsection 1, and upon court order, payment upon a judgment may be made to the treasurer of state as provided in chapter 556 and the treasurer's receipt for the funds is conclusive proof of payment on the judgment.

Sec. 3. Section 631.1, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 8. The district court sitting in small claims has concurrent jurisdiction of motions and orders relating to releases of judgments in whole or in part including motions and orders under section 624.23, subsection 2, paragraph "c" and section 624.37, where the amount owing on the judgment, including interests and costs, is five thousand dollars or less.

Approved March 30, 2011