

LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6466

BILL NUMBER: SB 236

NOTE PREPARED: Mar 18, 2013

BILL AMENDED: Jan 31, 2013

SUBJECT: Mortgages And Liens On Real Property.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR: Rep. Burton

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: (Amended) The bill provides that if the record of a mortgage or vendor's lien that was created before July 1, 2012, does not show the due date of the last installment, the mortgage or vendor's lien expires 20 years (instead of 10 years under current law) after the date of execution of the mortgage or vendor's lien.

The bill provides that if: (1) the record of a mortgage or vendor's lien does not show the due date of the last installment; (2) the execution date is omitted from the mortgage or vendor's lien; and (3) the mortgage or vendor's lien was created before July 1, 2012; the mortgage or vendor's lien expires 20 years (instead of 10 years under current law) after the mortgage or vendor's lien is recorded.

The bill makes exceptions to the expiration period if a foreclosure action is brought not later than the expiration period.

The bill makes corresponding changes in the provision that allows the mortgagee or lien holder to file an affidavit stating when the debt becomes due.

The bill removes language that prohibits a person from maintaining an action to foreclose a mortgage or enforce a vendor's lien if the last installment of the debt secured by the mortgage or vendor's lien has been due more than 10 years.

Effective Date: July 1, 2012 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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