

House Bill 1228

By: Representatives Bryant of the 160<sup>th</sup>, Stephens of the 161<sup>st</sup>, Gordon of the 162<sup>nd</sup>, Long of the 61<sup>st</sup>, Day of the 163<sup>rd</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 1 of Article 7 of Chapter 14 of Title 44 of the Official Code of Georgia  
2 Annotated, relating to foreclosure generally, so as to allow for the right of redemption of  
3 foreclosed mortgages under certain circumstances; to provide for certain information to be  
4 included in the advertisements of certain foreclosure sales; to provide for related matters; to  
5 provide for applicability; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Part 1 of Article 7 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated,  
9 relating to foreclosure generally, is amended by inserting a new Code section to read as  
10 follows:

11 "44-14-160.1.

12 (a) As used in this Code section, the term:

13 (1) 'Mortgage' means any mortgage, deed of trust, or any other instrument intended to  
14 secure the payment of money.

15 (2) 'Sale' or 'sold' means any execution, judgment, or foreclosure sale, whether the sale  
16 is made under any power of sale in any mortgage or deed or statutory power of sale or by  
17 virtue of any judgment in any court of competent jurisdiction.

18 (b) The statutory rights of redemption given or conferred by this Code section are mere  
19 personal privileges and not property or property rights. The privileges must be exercised  
20 in the mode and manner prescribed in this Code section and may not be waived in a deed,  
21 judgment, or mortgage or in any agreement before foreclosure or execution sale.

22 (c) If a mortgaged property is foreclosed on and sold and the property is purchased at the  
23 foreclosure sale by the mortgage holder or its agent, the debtor, if he or she has owned the  
24 property for five years or longer prior to the date of the foreclosure sale, has 90 days to  
25 redeem the property and void the sale thereof. In order to redeem the property, the debtor

26 must tender, in cash, the total amount due under the mortgage, plus interest at the rate  
 27 specified in the mortgage, plus a 12 percent penalty on the amount due and payable.

28 (d) If a mortgaged property is foreclosed on and sold and the property is purchased at the  
 29 foreclosure sale by a third party, the debtor, if he or she has owned the property for five  
 30 years or longer prior to the date of the foreclosure sale, has 90 days to redeem the property  
 31 and void the sale thereof. In order to redeem the property, the debtor must tender, in cash,  
 32 a 20 percent redemption fee on all sums exceeding the total amount due under the mortgage  
 33 amount that the third party paid at the foreclosure sale.

34 (e) Anyone desiring and entitled to redeem under the provisions of this Code section may  
 35 make written demand of the purchaser or his or her transferees for a statement in writing  
 36 of the debt and all lawful charges claimed by him or her, and such purchaser or their  
 37 transferees shall, within ten days after such written demand, furnish such person making  
 38 the demand with a written, itemized statement of all lawful charges claimed by him or her.  
 39 If the purchaser or his or her transferee fails to furnish a written, itemized statement of all  
 40 lawful charges within ten days after demand, he or she shall forfeit all claims or right to  
 41 compensation.

42 (f) The right of redemption contained in this Code section shall be extinguished if the  
 43 mortgage holder offers the debtor a six-month preforeclosure stay on foreclosure on a loan  
 44 delinquent for at least 61 days.

45 (g) This Code section applies only to mortgages foreclosed on or after January 1, 2011."

46 **SECTION 2.**

47 Said part is further amended by revising Code Section 44-14-162, relating to sales made  
 48 under power of sale and manner of advertisement and conduct necessary for validity, as  
 49 follows:

50 "44-14-162.

51 (a) No sale of real estate under powers contained in mortgages, deeds, or other lien  
 52 contracts shall be valid unless the sale shall be advertised and conducted at the time and  
 53 place and in the usual manner of the sheriff's sales in the county in which such real estate  
 54 or a part thereof is located and unless notice of the sale shall have been given as required  
 55 by Code Section 44-14-162.2. If the advertisement contains the street address, city, and  
 56 ZIP Code of the property, such information shall be clearly set out in ~~bold~~ **boldface** type.  
 57 In addition to any other matter required to be included in the advertisement of the sale, if  
 58 the property encumbered by the mortgage, security deed, or lien contract has been  
 59 transferred or conveyed by the original debtor to a new owner and an assumption by the  
 60 new owner of the debt secured by said mortgage, security deed, or lien contract has been  
 61 approved in writing by the secured creditor, then the advertisement ~~should~~ shall also

62 include a recital of the fact of such transfer or conveyance and the name of the new owner,  
63 as long as information regarding any such assumption is readily discernable by the  
64 foreclosing creditor. Failure to include such a recital in the advertisement, however, shall  
65 not invalidate an otherwise valid foreclosure sale. The advertisement shall indicate if the  
66 property is owner occupied residential property; provided, however, that failure to include  
67 such information in the advertisement shall not invalidate an otherwise valid foreclosure  
68 sale.

69 (b) The security instrument or assignment thereof vesting the secured creditor with title  
70 to the security instrument shall be filed prior to the time of sale in the office of the clerk of  
71 the superior court of the county in which the real property is located."

72 **SECTION 3.**

73 All laws and parts of laws in conflict with this Act are repealed.