

Senate Bill 126

By: Senator Stone of the 23rd

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 in general, so as to provide for certain requirements for
3 obtaining money judgments on obligations secured by deeds to secure debts or mortgages
4 on real property; to provide for related matters; to repeal conflicting laws; and for other
5 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 in general, is amended by adding a new Code section to read as
10 follows:

11 "44-14-161.1.

12 When the holder of a deed to secure debt, mortgage, or other lien contract against real
13 estate obtains a judgment on the debt prior to foreclosure of the real estate and thereafter
14 forecloses on the real estate, any person or entity obligated on the debt may file, within 30
15 days after the date of foreclosure, a complaint against the holder to establish the fair market
16 value of the real estate. The court shall make a finding of the fair market value of the real
17 estate as of the date of foreclosure. If the court determines that the real estate has been sold
18 for less than fair market value, the holder may elect that either:

- 19 (1) The court set aside the foreclosure sale and order resale of the real estate; or
20 (2) The remaining balance on the judgment be reduced by the fair market value, with any
21 sum in excess of full satisfaction of the amount remaining due on the judgment to be paid
22 from the holder to such person or entity obligated on the debt."

23 **SECTION 2.**

24 All laws and parts of laws in conflict with this Act are repealed.