

House Bill 344

By: Representatives Ramsey of the 72nd, Gasaway of the 28th, Teasley of the 37th, and Welch of the 110th

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 a foreclosure sale of the real estate, any
14 person or entity obligated on the debt may file, within 30 days after the date of the sale, a
15 complaint against the holder in superior court of the county where the real estate is located
16 to establish the true market value of the real estate. The court shall require evidence to
17 show the true market value and shall make a finding of the true market value of the real
18 estate as of the date of the foreclosure sale. If the court determines that the real estate was
19 sold for less than true market value, the holder may elect that either:

20 (1) The court enters an order setting aside the foreclosure sale in which case the holder
21 may, at its election, conduct a resale of the real estate; or

22 (2) The court enters an order crediting the amount of the court's finding of true market
23 value against the remaining balance of the judgment. If the court's finding of true market
24 value exceeds the remaining balance of the judgment, the credit shall be limited to such
25 remaining balance in full satisfaction of the judgment and the holder shall not be liable
26 to any person or entity for any sum in excess of the full satisfaction of the judgment."

27

SECTION 2.

28 All laws and parts of laws in conflict with this Act are repealed.