

House Bill 464

By: Representatives Strickland of the 111th, Welch of the 110th, Teasley of the 37th, Dickey of the 140th, and Rutledge of the 109th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated,
2 relating to general provisions regarding mortgages, conveyances to secure debt, and liens,
3 so as to provide that a deed to secure debt which conveys as security for a loan or obligation
4 one or more lots in a residential development that is subject to covenants and a property
5 owners' association and which covenants are properly filed and recorded shall be subject to
6 and subordinate to such covenants; to provide for related matters; to provide an effective
7 date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 style="text-align:center">**SECTION 1.**

10 Article 1 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated, relating to
11 general provisions regarding mortgages, conveyances to secure debt, and liens, is amended
12 by adding a new Code section to read as follows:

13 "44-14-15.

14 (a) A deed to secure debt which conveys as security for a loan or obligation one or more
15 lots in a residential development that is subject to covenants and a property owners'
16 association and which covenants are properly filed and recorded shall be subject to and
17 subordinate to such covenants.

18 (b) In the event of foreclosure under a deed to secure debt, the entity foreclosing under
19 such deed to secure debt shall take such property subject to such covenants."

20 style="text-align:center">**SECTION 2.**

21 This Act shall become effective upon its approval by the Governor or upon its becoming law
22 without such approval.

23 style="text-align:center">**SECTION 3.**

24 All laws and parts of laws in conflict with this Act are repealed.