

By: Carona

S.B. No. 362

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to certain condominium owners' right to redeem real  
3 property following certain foreclosure sales.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 82.113, Property Code, is amended by  
6 amending Subsection (g) and adding Subsections (g-1) through (g-7)  
7 to read as follows:

8 (g) The owner of a unit used for residential purposes and  
9 purchased [~~by an association~~] at a foreclosure sale of an [~~the~~]  
10 association's lien for assessments may redeem the unit not later  
11 than the 90th day after the date of the foreclosure sale.

12 (g-1) To redeem a [~~the~~] unit purchased by the association,  
13 the owner must pay to the association all amounts due the  
14 association at the time of the foreclosure sale, interest from the  
15 date of foreclosure sale to the date of redemption at the rate  
16 provided by the declaration for delinquent assessments, reasonable  
17 attorney's fees and costs incurred by the association in  
18 foreclosing the lien, any assessment levied against the unit by the  
19 association after the foreclosure sale, and any reasonable cost  
20 incurred by the association as owner of the unit, including costs of  
21 maintenance and leasing.

22 (g-2) To redeem a unit purchased by a person other than the  
23 association, the owner must pay:

24 (1) to the association:

1           (A) all amounts due the association at the time  
2 of foreclosure, less the foreclosure sales price received by the  
3 association from the purchaser;

4           (B) interest from the date of the foreclosure  
5 sale to the date of redemption at the rate provided by the  
6 declaration for delinquent assessments;

7           (C) reasonable attorney's fees and costs  
8 incurred by the association in foreclosing the lien; and

9           (D) any unpaid assessments levied against the  
10 unit by the association after the date of the foreclosure sale; and

11           (2) to the purchaser:

12           (A) any assessment levied by the association  
13 after the date of the foreclosure sale and paid by the purchaser;

14           (B) the purchase price paid by the purchaser at  
15 the foreclosure sale;

16           (C) the amount of the deed recording fee; and

17           (D) the amount paid by the purchaser in ad  
18 valorem taxes, penalties, and interest on the unit after the date of  
19 the foreclosure sale.

20           (g-3) On redemption, the association or other purchaser  
21 shall execute a deed to the redeeming unit owner.

22           (g-4) The exercise of the right of redemption is not  
23 effective against a subsequent purchaser or lender for value  
24 without notice of the redemption after the redemption period  
25 expires unless the redeeming unit owner records the deed from the  
26 association or other purchaser, as applicable, or an affidavit  
27 stating that the owner has exercised the right of redemption.

1           (g-5) A unit that has been redeemed remains subject to all  
2 liens and encumbrances on the unit before foreclosure.

3           (g-6) All rents and other income collected from the unit by  
4 the association or other purchaser from the date of foreclosure  
5 sale to the date of redemption belong to the association or  
6 purchaser, as applicable, but the rents and income shall be  
7 credited against the redemption amount.

8           (g-7) An association or other purchaser purchasing a unit at  
9 a sale foreclosing the association's [~~its~~] lien may not transfer  
10 ownership of the unit during the redemption period to a person other  
11 than a redeeming owner.

12           SECTION 2. Subsections (g) and (g-1) through (g-7), Section  
13 82.113, Property Code, as amended and as added by this Act, apply  
14 only to the rights of a redeeming owner of a condominium unit  
15 purchased at a foreclosure sale on or after the effective date of  
16 this Act. The rights of a redeeming owner of a condominium unit  
17 purchased at a foreclosure sale before the effective date of this  
18 Act are governed by the law in effect on the date of the foreclosure  
19 sale, and that law is continued in effect for that purpose.

20           SECTION 3. This Act takes effect September 1, 2005.