

1-1 By: Carona S.B. No. 362
1-2 (In the Senate - Filed February 4, 2005; February 15, 2005,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; April 21, 2005, reported favorably by the following
1-5 vote: Yeas 5, Nays 0; April 21, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to certain condominium owners' right to redeem real
1-9 property following certain foreclosure sales.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 82.113, Property Code, is amended by
1-12 amending Subsection (g) and adding Subsections (g-1) through (g-7)
1-13 to read as follows:

1-14 (g) The owner of a unit used for residential purposes and
1-15 purchased ~~[by an association]~~ at a foreclosure sale of an ~~[the]~~
1-16 association's lien for assessments may redeem the unit not later
1-17 than the 90th day after the date of the foreclosure sale.

1-18 (g-1) To redeem a ~~[the]~~ unit purchased by the association,
1-19 the owner must pay to the association all amounts due the
1-20 association at the time of the foreclosure sale, interest from the
1-21 date of foreclosure sale to the date of redemption at the rate
1-22 provided by the declaration for delinquent assessments, reasonable
1-23 attorney's fees and costs incurred by the association in
1-24 foreclosing the lien, any assessment levied against the unit by the
1-25 association after the foreclosure sale, and any reasonable cost
1-26 incurred by the association as owner of the unit, including costs of
1-27 maintenance and leasing.

1-28 (g-2) To redeem a unit purchased by a person other than the
1-29 association, the owner must pay:

1-30 (1) to the association:

1-31 (A) all amounts due the association at the time
1-32 of foreclosure, less the foreclosure sales price received by the
1-33 association from the purchaser;

1-34 (B) interest from the date of the foreclosure
1-35 sale to the date of redemption at the rate provided by the
1-36 declaration for delinquent assessments;

1-37 (C) reasonable attorney's fees and costs
1-38 incurred by the association in foreclosing the lien; and

1-39 (D) any unpaid assessments levied against the
1-40 unit by the association after the date of the foreclosure sale; and

1-41 (2) to the purchaser:

1-42 (A) any assessment levied by the association
1-43 after the date of the foreclosure sale and paid by the purchaser;

1-44 (B) the purchase price paid by the purchaser at
1-45 the foreclosure sale;

1-46 (C) the amount of the deed recording fee; and

1-47 (D) the amount paid by the purchaser in ad
1-48 valorem taxes, penalties, and interest on the unit after the date of
1-49 the foreclosure sale.

1-50 (g-3) On redemption, the association or other purchaser
1-51 shall execute a deed to the redeeming unit owner.

1-52 (g-4) The exercise of the right of redemption is not
1-53 effective against a subsequent purchaser or lender for value
1-54 without notice of the redemption after the redemption period
1-55 expires unless the redeeming unit owner records the deed from the
1-56 association or other purchaser, as applicable, or an affidavit
1-57 stating that the owner has exercised the right of redemption.

1-58 (g-5) A unit that has been redeemed remains subject to all
1-59 liens and encumbrances on the unit before foreclosure.

1-60 (g-6) All rents and other income collected from the unit by
1-61 the association or other purchaser from the date of foreclosure
1-62 sale to the date of redemption belong to the association or
1-63 purchaser, as applicable, but the rents and income shall be
1-64 credited against the redemption amount.

2-1 (g-7) An association or other purchaser purchasing a unit at
2-2 a sale foreclosing the association's ~~[its]~~ lien may not transfer
2-3 ownership of the unit during the redemption period to a person other
2-4 than a redeeming owner.

2-5 SECTION 2. Subsections (g) and (g-1) through (g-7), Section
2-6 82.113, Property Code, as amended and as added by this Act, apply
2-7 only to the rights of a redeeming owner of a condominium unit
2-8 purchased at a foreclosure sale on or after the effective date of
2-9 this Act. The rights of a redeeming owner of a condominium unit
2-10 purchased at a foreclosure sale before the effective date of this
2-11 Act are governed by the law in effect on the date of the foreclosure
2-12 sale, and that law is continued in effect for that purpose.

2-13 SECTION 3. This Act takes effect September 1, 2005.

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