

By: Carona

S.B. No. 1631

A BILL TO BE ENTITLED

AN ACT

relating to the right of redemption after foreclosure.

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

SECTION 1. Amend Section 209.011 (d and e), Property Code, as follows:

Section 209.011. RIGHT OF REDEMPTION AFTER FORECLOSURE.

(d) To redeem property purchased by the property owners' association at the foreclosure sale, the lot owner must pay to the association or third party who purchased the property at the foreclosure sale:

(1) all amounts due the association or a third party who purchased the property at the foreclosure sale at the time of the foreclosure sale;

(2) interest from the date of the foreclosure sale to the date of redemption on all amounts owed the association or a third party who purchased the property at the foreclosure sale at the rate stated in the dedicatory instruments for delinquent assessments or, if no rate is stated, at an annual interest rate of 10 percent;

(3) costs incurred by the association or third party who purchased the property at the foreclosure sale in foreclosing the lien and conveying the property to the redeeming lot owner, including reasonable attorney's fees;

(4) any assessment levied against the property by the

1 association after the date of the foreclosure sale;

2 (5) any reasonable cost incurred by the association or
3 a third party who purchased the property at the foreclosure sale,
4 including mortgage payments, repayment of delinquent or in default
5 liens on the property and costs of repair, maintenance, and leasing
6 of the property; and

7 (6) the purchase price paid by the association or a
8 third party who purchased the property at the foreclosure sale at
9 the foreclosure sale less any amounts due the association or a third
10 party who purchased the property at the foreclosure sale under
11 Subdivision (1) that were satisfied out of the foreclosure sale
12 proceeds.

13 ~~[(c) To redeem property purchased at the foreclosure sale by~~
14 ~~a person other than the property owners' association, the lot~~
15 ~~owner;~~

16 ~~[(1) must pay to the association;~~

17 ~~[(A) all amounts due the association at the time~~
18 ~~of the foreclosure sale less the foreclosure sales price received~~
19 ~~by the association from the purchaser;~~

20 ~~[(B) interest from the date of the foreclosure~~
21 ~~sale through the date of redemption on all amounts owed the~~
22 ~~association at the rate stated in the dedicatory instruments for~~
23 ~~delinquent assessments or, in no rate is stated, at an annual~~
24 ~~interest rate of 10 percent;~~

25 ~~[(C) costs incurred by the association in~~
26 ~~foreclosing the lien and conveying the property to the redeeming~~
27 ~~lot owner, including reasonable attorney's fees;~~

1 ~~[(D) any unpaid assessments levied against the~~
2 ~~property by the association after the date of the foreclosure sale;~~

3 ~~[(E) taxable costs incurred in a proceeding~~
4 ~~brought under Subsection (a); and~~

5 ~~[(2) must pay to the person who purchased the property~~
6 ~~at the foreclosure sale.~~

7 ~~[(A) any assessments levied against the property~~
8 ~~y the association after the date of the foreclosure sale and paid by~~
9 ~~the purchaser;~~

10 ~~[(B) the purchase price paid by the purchaser at~~
11 ~~the foreclosure sale;~~

12 ~~[(C) the amount of the deed recording fee;~~

13 ~~[(D) the amount paid by the purchaser as ad~~
14 ~~valorem taxes, penalties, and interest on the property after the~~
15 ~~date of the foreclosure sale; and~~

16 ~~[(E) taxable costs incurred in a proceeding~~
17 ~~brought under Subsection (a).~~

18 SECTION 2. This Act takes effect September 1, 2005.