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House Bill 4484 (as passed by the House) Sponsor: Representative Lorence Wenke

House Committee: Banking and Financial Services Senate Committee: Banking and Financial Institutions

Date Completed: 9-7-05

CONTENT

The bill would amend the Mobile Home Commission Act to apply Section 30i to all transactions, liens, and mortgages related to mobile homes affixed to real property, regardless of the date they were entered into or created.

Section 30i was added by Public Act 44 of 2003 to provide for the cancellation of certificates of title to mobile homes affixed to real property, and allow the homes to be conveyed only as part of the real property. Public Act 44 took effect on July 14, 2003.

Under Section 30i, when the owner of a mobile home affixed to real property delivers an "affidavit of affixture" and the certificate of title (or other documents) to the Department of Labor and Economic Growth, the Department must cancel the certificate of title. The mobile home is considered to be part of the real property, any security interest in the home is terminated, a lienholder may perfect and enforce a new security interest or lien on the mobile home in the manner provided by law for perfecting and enforcing a lien on real property, and the owner may convey the home only as part of the real property to which it is affixed.

Also, under Section 30i, if a mobile home was affixed to real property before July 14, 2003, the holder of a lien or security interest in both the mobile home and the real property may enforce its lien or security interest by accepting a deed in lieu of foreclosure or in the manner provided by law for enforcing liens on the real property. The bill specifies that the lien or security interest on the mobile home would be perfected against it if the holder of the lien or security interest in both the mobile home and the real property to which it was affixed on July 14, 2003, had perfected a lien on the real property as provided under law for perfecting a lien on real property. The date of perfection of the lien or security interest of the mobile home would be the date of perfection of the lien on the real property to which the mobile home was affixed on July 14, 2003.

Section 30i also prescribes procedures for the detachment of a mobile home from the real property to which it is affixed.

The bill provides that Section 30i would apply to all transactions, liens, and mortgages within its scope, even those that were entered into or created before July 14, 2003.

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FISCAL IMPACT



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