

HOUSE BILL 203

Introduced by S. Rice, et al.

1/16	Introduced
1/16	Referred to Labor & Employment Relations
1/16	First Reading
1/29	Hearing
1/30	Committee Report--Bill Passed
2/01	2nd Reading Passed
2/04	3rd Reading Passed
	Transmitted to Senate
2/05	First Reading
2/05	Referred to Labor & Employment Relations
2/14	Hearing
3/19	Tabled in Committee
4/03	Taken From Table
4/03	Committee Report--Bill Concurred as Amended
4/05	2nd Reading Concurred as Amended Motion Failed
4/05	2nd Reading Indefinitely Postponed

HOUSE BILL NO. 203  
INTRODUCED BY S. RICE

IN THE HOUSE

JANUARY 16, 1991                   INTRODUCED AND REFERRED TO COMMITTEE  
ON BUSINESS & ECONOMIC DEVELOPMENT.

                                  FIRST READING.

JANUARY 30, 1991                   COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.

JANUARY 31, 1991                   PRINTING REPORT.

FEBRUARY 1, 1991                   SECOND READING, SEGREGATED FROM  
COMMITTEE OF THE WHOLE REPORT  
AND PLACED ON SECOND READING NEXT  
LEGISLATIVE DAY.

FEBRUARY 2, 1991                   ON MOTION, CONSIDERATION PASSED.

FEBRUARY 4, 1991                   ON MOTION, CONSIDERATION PASSED.

FEBRUARY 5, 1991                   SECOND READING, DO PASS.

FEBRUARY 6, 1991                   ENGROSSING REPORT.

FEBRUARY 7, 1991                   THIRD READING, PASSED.  
AYES, 63; NOES, 36.

                                  TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 8, 1991                   INTRODUCED AND REFERRED TO COMMITTEE  
ON BUSINESS & INDUSTRY.

                                  FIRST READING.

MARCH 18, 1991                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

MARCH 20, 1991                   SECOND READING, CONCURRED IN.

MARCH 21, 1991                   THIRD READING, CONCURRED IN.  
AYES, 46; NOES, 3.

                                  RETURNED TO HOUSE.

IN THE HOUSE

MARCH 22, 1991

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 203  
2 INTRODUCED BY SRW

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXTEND THE  
5 DEFINITION OF "REGULATED LENDERS" TO INCLUDE A MUTUAL OR  
6 STOCK INSURANCE COMPANY; AND AMENDING SECTIONS 31-1-111 AND  
7 70-32-221, MCA."

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 31-1-111, MCA, is amended to read:

11 "31-1-111. Definition of regulated lender. The term  
12 "regulated lenders" as used in 31-1-112 means:

13 (1) a bank, building and loan association, savings and  
14 loan association, trust company, credit union, credit  
15 association, consumer loan licensee, development  
16 corporation, ~~or~~ bank holding company, or a mutual or stock  
17 insurance company organized pursuant to state or federal  
18 statutory authority and subject to supervision, control, or  
19 regulation by:

- 20 (a) an agency of the state of Montana; or
- 21 (b) an agency of the federal government;
- 22 (2) a subsidiary of an entity described in subsection
- 23 (1);
- 24 (3) a Montana state agency or a federal agency that is
- 25 authorized to lend money;

1 (4) a corporation or other entity established by  
2 congress or the state of Montana that is owned, in whole or  
3 in part, by the United States or the state of Montana and  
4 that is authorized to lend money."

5 **Section 2.** Section 70-32-221, MCA, is amended to read:

6 "70-32-221. Homestead subject to execution for certain  
7 judgments -- separate acknowledgment required. (1) If a  
8 borrower borrowing money from a regulated lender, as defined  
9 in 31-1-111, ~~a mutual-or-stock-insurance-company-regulated~~  
10 ~~by-any-state,~~ or a farm credit system lender encumbers real  
11 property that otherwise would qualify as a homestead under  
12 Title 70, chapter 32, the financial institution shall  
13 require the borrower to sign a written statement  
14 acknowledging that the real property is not exempt from  
15 execution as a homestead because under 70-32-202 it is  
16 subject to execution or forced sale to satisfy a judgment  
17 obtained on a debt secured by a mortgage or other  
18 encumbrance on the premises. The written acknowledgment may  
19 be in a document separate from, or may be included in, the  
20 loan agreement or loan documents and must be printed in  
21 capital letters of not less than 10-point boldfaced type and  
22 signed separately by the borrower.

23 (2) The financial institution shall retain a copy of  
24 the acknowledgment provided for in subsection (1) until the  
25 mortgage or other encumbrance is paid or otherwise satisfied



-2- INTRODUCED BILL  
HB 203

LC 1393/01

1 or discharged unless the acknowledgment is of record in the  
2 office of the clerk and recorder."

-End-

APPROVED BY COMM. ON BUSINESS AND ECONOMIC DEVELOPMENT

HOUSE BILL NO. 203  
INTRODUCED BY S. RICE

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXTEND THE DEFINITION OF "REGULATED LENDERS" TO INCLUDE A MUTUAL OR STOCK INSURANCE COMPANY; AND AMENDING SECTIONS 31-1-111 AND 70-32-221, MCA."

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

Section 1. Section 31-1-111, MCA, is amended to read:

"31-1-111. Definition of regulated lender. The term "regulated lenders" as used in 31-1-112 means:

(1) a bank, building and loan association, savings and loan association, trust company, credit union, credit association, consumer loan licensee, development corporation, or bank holding company, or a mutual or stock insurance company organized pursuant to state or federal statutory authority and subject to supervision, control, or regulation by:

- (a) an agency of the state of Montana; or
- (b) an agency of the federal government;
- (2) a subsidiary of an entity described in subsection (1);
- (3) a Montana state agency or a federal agency that is authorized to lend money;

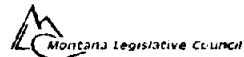
(4) a corporation or other entity established by congress or the state of Montana that is owned, in whole or in part, by the United States or the state of Montana and that is authorized to lend money."

Section 2. Section 70-32-221, MCA, is amended to read:

"70-32-221. Homestead subject to execution for certain judgments -- separate acknowledgment required. (1) If a borrower borrowing money from a regulated lender, as defined in 31-1-111, a mutual-or-stock-insurance-company-regulated-by-any-state, or a farm credit system lender encumbers real property that otherwise would qualify as a homestead under Title 70, chapter 32, the financial-institution LENDER shall require the borrower to sign a written statement acknowledging that the real property is not exempt from execution as a homestead because under 70-32-202 it is subject to execution or forced sale to satisfy a judgment obtained on a debt secured by a mortgage or other encumbrance on the premises. The written acknowledgment may be in a document separate from, or may be included in, the loan agreement or loan documents and must be printed in capital letters of not less than 10-point boldfaced type and signed separately by the borrower.

(2) The financial-institution LENDER shall retain a copy of the acknowledgment provided for in subsection (1) until the mortgage or other encumbrance is paid or otherwise

SECOND READING



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1 satisfied or discharged unless the acknowledgment is of  
2 record in the office of the clerk and recorder."

-End-

HOUSE BILL NO. 203  
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A BILL FOR AN ACT ENTITLED: "AN ACT TO EXTEND THE DEFINITION OF "REGULATED LENDERS" TO INCLUDE A MUTUAL OR STOCK INSURANCE COMPANY; AND AMENDING SECTIONS 31-1-111 AND 70-32-221, MCA."

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- (a) an agency of the state of Montana; or
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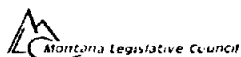
(4) a corporation or other entity established by congress or the state of Montana that is owned, in whole or in part, by the United States or the state of Montana and that is authorized to lend money."

**Section 2.** Section 70-32-221, MCA, is amended to read:

"70-32-221. Homestead subject to execution for certain judgments -- separate acknowledgment required. (1) If a borrower borrowing money from a regulated lender, as defined in 31-1-111, a mutual-or-stock-insurance-company-regulated by-any-state, or a farm credit system lender encumbers real property that otherwise would qualify as a homestead under Title 70, chapter 32, the financial-institution LENDER shall require the borrower to sign a written statement acknowledging that the real property is not exempt from execution as a homestead because under 70-32-202 it is subject to execution or forced sale to satisfy a judgment obtained on a debt secured by a mortgage or other encumbrance on the premises. The written acknowledgment may be in a document separate from, or may be included in, the loan agreement or loan documents and must be printed in capital letters of not less than 10-point boldfaced type and signed separately by the borrower.

(2) The financial-institution LENDER shall retain a copy of the acknowledgment provided for in subsection (1) until the mortgage or other encumbrance is paid or otherwise

THIRD READING





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1 satisfied or discharged unless the acknowledgment is of  
2 record in the office of the clerk and recorder."

-End-

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2 INTRODUCED BY S. RICE

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2 congress or the state of Montana that is owned, in whole or  
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7 judgments -- separate acknowledgment required. (1) If a  
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11 property that otherwise would qualify as a homestead under  
12 Title 70, chapter 32, the ~~financial-institution~~ LENDER shall  
13 require the borrower to sign a written statement  
14 acknowledging that the real property is not exempt from  
15 execution as a homestead because under 70-32-202 it is  
16 subject to execution or forced sale to satisfy a judgment  
17 obtained on a debt secured by a mortgage or other  
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20 loan agreement or loan documents and must be printed in  
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22 signed separately by the borrower.

23 (2) The ~~financial-institution~~ LENDER shall retain a  
24 copy of the acknowledgment provided for in subsection (1)  
25 until the mortgage or other encumbrance is paid or otherwise

REFERENCE BILL

HB 0203/02

1 satisfied or discharged unless the acknowledgment is of  
2 record in the office of the clerk and recorder."

-End-