

SENATE BILL 275

Introduced by Meyer

1/28	Introduced
1/28	Referred to Judiciary
1/30	Rereferred to Business & Industry
	Died in Committee

1 *Senate* BILL NO. *275*  
2 INTRODUCED BY *Meyer*

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4 A BILL FOR AN ACT ENTITLED: "AN ACT SPECIFYING THOSE LOANS  
5 SECURED BY TRUST INDENTURES AUTHORIZED UNDER THE SMALL TRACT  
6 FINANCING ACT UPON WHICH DEFICIENCY JUDGMENTS MAY NOT BE  
7 SECURED IN THE EVENT THE TRUST INDENTURE IS FORECLOSED BY  
8 JUDICIAL PROCEDURE AS A MORTGAGE; AND AMENDING SECTION  
9 71-1-317, MCA."

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

12 **Section 1.** Section 71-1-317, MCA, is amended to read:

13 "71-1-317. Deficiency judgment not allowed. (1) When  
14 a trust indenture executed in conformity with this part is  
15 foreclosed by advertisement and sale, as provided in  
16 71-1-313 through 71-1-320 or, except as provided in  
17 subsection (2) of this section, foreclosed by judicial  
18 procedure as a mortgage, no other or further action, suit,  
19 or proceedings shall be taken or judgment entered for any  
20 deficiency against the grantor or his surety, guarantor, or  
21 successor in interest, if any, on the note, bond, or other  
22 obligation secured by the trust indenture or against any  
23 other person obligated on such the note, bond, or other  
24 obligation.

25 (2) When a trust indenture executed in accordance with

1 this part is foreclosed by judicial procedure as a mortgage,  
2 no further action, suit, or proceedings may be taken nor a  
3 judgment entered for any deficiency against a person  
4 referred to in subsection (1) when:

5 (a) the proceeds of the loan, the repayment of which  
6 is secured by the trust indenture in question, were used  
7 directly, in whole or in part, for business or agricultural  
8 purposes; and

9 (b) repayment of the loan is collateralized with  
10 property or any interests in property in addition to the  
11 real property or any interest in real property that is the  
12 subject of the trust indenture.

13 (3) A person may not waive any rights accruing to him  
14 under the provisions of this section."

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