

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 257

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO LIMITATION OF ACTIONS; AMENDING SECTION 5-214A, IDAHO CODE, TO  
2 REVISE PROVISIONS REGARDING AN ACTION TO FORECLOSE MORTGAGE ON REAL  
3 PROPERTY AND TO PROVIDE THAT A LIEN OF THE MORTGAGE SHALL BE DEEMED AUTO-  
4 MATICALLY RELEASED IN CERTAIN INSTANCES.  
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 5-214A, Idaho Code, be, and the same is hereby  
8 amended to read as follows:

9 5-214A. ACTION TO FORECLOSE MORTGAGE ON REAL PROPERTY. (1) A judicial  
10 an action for the foreclosure of a mortgage on real property must be com-  
11 menced within five (5) years from the maturity date of the entire financial  
12 obligation or of the indebtedness secured by such mortgage becomes due and  
13 payable. If the obligation or indebtedness secured by such mortgage does  
14 not state a maturity date, then the date of the accrual of the cause of ac-  
15 tion giving rise to the right to foreclose shall be deemed the date of matu-  
16 rity of such obligation or indebtedness. This date shall be deemed the due  
17 date for mortgage-secured debt. The date of the accrual of the cause of ac-  
18 tion giving rise to the right of the note holder to foreclose on the secured  
19 property after a default in the payment of the entire financial obligation on  
20 that due date shall be deemed the commencement date for the statute of lim-  
21 itations five (5) year period. Failure of the note holder to commence a ju-  
22 dicial foreclosure within a five (5) year period from that due date bars any  
23 further right of the note holder to initiate any further collection of the  
24 mortgaged debt.

25 (2) If a judicial action for the foreclosure of a mortgage is barred by  
26 this section after the passage of five (5) years with no judicial foreclosure  
27 action having been initiated, the lien of the mortgage or deed of trust shall  
28 be deemed automatically released from the real property.