

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 541

BY JUDICIARY, RULES AND ADMINISTRATION COMMITTEE

AN ACT

RELATING TO LIMITATION OF ACTIONS; AMENDING SECTION 5-214A, IDAHO CODE, TO REVISE PROVISIONS REGARDING AN ACTION TO FORECLOSE MORTGAGE ON REAL PROPERTY AND TO PROVIDE THAT A LIEN OF THE MORTGAGE SHALL BE DEEMED AUTOMATICALLY RELEASED IN CERTAIN INSTANCES; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

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

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

5-214A. ACTION TO FORECLOSE MORTGAGE ON REAL PROPERTY. (1) A judicial action for the foreclosure of a mortgage on real property must be commenced within five (5) years from the maturity date of the entire financial obligation or of the indebtedness secured by such mortgage becomes due and payable. If the obligation or indebtedness secured by such mortgage does not state a maturity date, then the date of the accrual of the cause of action giving rise to the right to foreclose shall be deemed the date of maturity of such obligation or indebtedness. This date shall be deemed the due date for mortgage-secured debt. The date of the accrual of the cause of action giving rise to the right of the note holder to foreclose on the secured property after a default in the payment of the entire financial obligation on that due date shall be deemed the commencement date for the statute of limitations five (5) year period. Failure of the note holder to commence a judicial foreclosure within a five (5) year period from that due date bars any further right of the note holder to initiate any further collection of the mortgaged debt.

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

SECTION 2. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after July 1, 2022.