

COUNCIL OF THE DISTRICT OF COLUMBIA

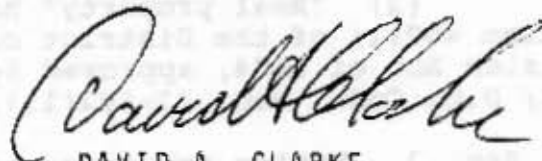
NOTICE

D.C. LAW 7-67

"Real Property Credit Line Deed of Trust
Act of 1987".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 7-163 on first and second readings, October 13, 1987, and October 27, 1987, respectively. Following the signature of the Mayor on November 5, 1987, this legislation was assigned Act 7-100, published in the November 20, 1987, edition of the D.C. Register, (Vol. 34 page 7441) and transmitted to Congress on November 6, 1987 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 7-67, effective January 28, 1988.



DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

November 6,9,10,12,13,16,17,18,19,20,30

December 1,2,3,4,7,8,9,10,11,14,15,16,17,18,21,22

January 25,26,27

LEGISLATIVE JAN 28 1988

Codificatio
New Chapter
29 of title
45

AN ACT

D.C. ACT 7-100

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOV 9 5 1987

To define credit line deed of trust secured by real property in the District of Columbia, to provide notice to consumers of the consequences of default, and to set the relative priority of credit line deeds of trust secured by real property in the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Real Property Credit Line Deed of Trust Act of 1987".

Sec. 2. Definitions.

For the purposes of this act, the term:

(1) "Credit line deed of trust" means any deed of trust in which title to residential real property located in the District of Columbia is conveyed, transferred, encumbered, or pledged to secure repayment of money that is loaned in the form of periodic advances by the noteholder named in the credit line deed of trust.

(2) "Real property" has the meaning set forth in section 402(1) of the District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1051; D.C. Code, sec. 47-802(1)).

Sec. 3. Notice requirements.

(a) A credit line deed of trust shall include:

(1) On the front page, either in capital letters or underscored, the words "THIS IS A HOME EQUITY CREDIT LINE DEED OF TRUST. DEFAULT ON PAYMENTS MAY RESULT IN THE LOSS OF YOUR HOME.";

(2) Language to convey notice to all parties that the noteholder, the grantors, and other borrowers identified have an agreement whereby the noteholder may make or contemplates making advances from time to time against the security described in the credit line deed of trust;

(3) The maximum aggregate amount of principal to be secured at any 1 time; and

New, D.C.
Code,
sec. 45-290
(1988 supp.

New, D.C.
Code,
sec. 45-290
(1988 supp.

(4) An explicit statement of the rights and obligations of the borrower and the consequences of default.

(b) Failure to provide the notice required by subsection (a) of this section shall be deemed an unlawful trade practice punishable under Chapter 39 of title 28 of the District of Columbia Code.

Sec. 4. Priority of credit line deed of trust.

(a) From the date of the recording of a credit line deed of trust, the credit line deed of trust shall have priority:

(1) Over all other deeds, conveyances, or other instruments, or contracts in writing, that are unrecorded as of that date and of which the noteholder has no knowledge or notice; and

(2) Over judgment liens subsequently recorded, except that a judgment creditor who gives notice of the judgment to the noteholder of record at the address listed in the credit line deed of trust shall have priority over the credit line deed of trust in the case of advances that are made after the date of the noteholder's receipt of the notice and that were not irrevocably committed prior to this date.

(b) Mechanic's liens established pursuant to section 1237 of An Act To establish a code of law for the District of Columbia, approved March 3, 1901 (31 Stat. 1384; D.C. Code, sec. 38-101 et seq.), shall have priority over all advances made under a credit line deed of trust subsequent to the filing of a notice of mechanic's lien, but shall not have priority over advances made prior to the filing of a notice of mechanic's lien.

(c) Except as provided in subsections (a)(2) and (b) of this section, the priority of a credit line deed of trust shall extend to all advances made following the recordation of the credit line deed of trust. Amounts outstanding, together with interest, shall continue to have priority until paid or otherwise settled.

(d) Nothing in this act shall apply to the priority of purchase money security interests in goods and fixtures.

Sec. 5. Conforming amendment.

Section 28-3904 of the District of Columbia Code is amended by replacing the period at the end with a semicolon and the word "and", and adding a new subsection (cc) to read as follows:

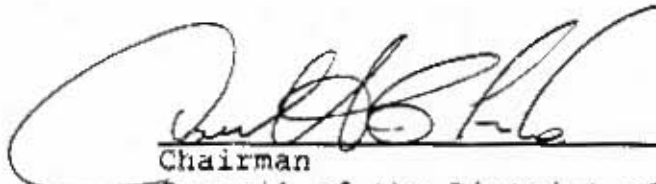
"(cc) violate any provision of the Real Property Credit Line Deed of Trust Act of 1987."

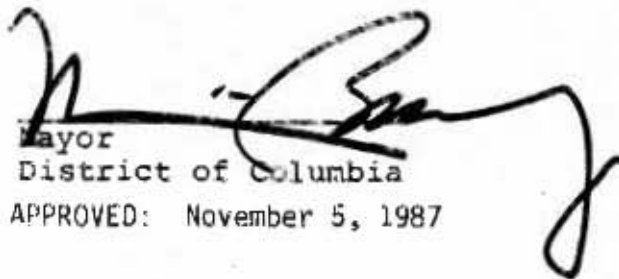
Sec. 6. Effective date.

New, D.C.
Code,
sec. 45-29
(1988 supp

D.C. Code,
sec. 28-39
(1988 supp

This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code, sec. 1-233(c)(1)).


Chairman
Council of the District of Columbia


Mayor
District of Columbia
APPROVED: November 5, 1987



COUNCIL OF THE DISTRICT OF COLUMBIA
Council Period Seven

RECORD OF OFFICIAL COUNCIL VOTE

DOCKET NO: B7-163

Item on Consent Calendar

ACTION & DATE: Adopted First Reading, 10-13-87

VOICE VOTE: Unanimous

Recorded vote on request

Absent: all present

ROLL CALL VOTE: -- RESULT _____

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					NATHANSON					THOMAS SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X -- Indicates Vote A.B. -- Absent N.V. -- Present, not voting

CERTIFICATION RECORD

Russell Secretary to the Council 11/21-87 Date

Item on Consent Calendar

ACTION & DATE: Adopted Final Reading, 10-27-87

VOICE VOTE: Unanimous

Recorded vote on request

Absent: all present

ROLL CALL VOTE: -- RESULT _____

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					NATHANSON					THOMAS, SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X -- Indicates Vote A.B. -- Absent N.V. -- Present, not voting

CERTIFICATION RECORD

Russell Secretary to the Council 11/2/87 Date

Item on Consent Calendar

ACTION & DATE: _____

VOICE VOTE: _____

Recorded vote on request

Absent: _____

ROLL CALL VOTE: -- RESULT _____

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					NATHANSON					THOMAS, SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X -- Indicates Vote A.B. -- Absent N.V. -- Present, not voting

CERTIFICATION RECORD

Secretary to the Council _____
Date