

**HB 2459 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Barker

**House Committee On Judiciary**

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**Action Date:** 04/04/19

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 11-0-0-0

**Yeas:** 11 - Barker, Bynum, Gorsek, Greenlick, Lewis, McLane, Piluso, Power, Sprenger, Stark, Williamson

**Fiscal:** No fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Channa Newell, Counsel

**Meeting Dates:** 2/12, 4/4

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**WHAT THE MEASURE DOES:**

Specifies that a person or agent of the person who holds a lien that is an encumbrance on real property may request an itemized statement from another lien holder. Requires statement to include amount necessary to pay off other lien and any per diem interest that may accrue on the obligation. Defines encumbrance. Allows person receiving request to fulfill request without permission of other obligor, so long as state or federal law do not require consent.

**ISSUES DISCUSSED:**

- Lienholder who is not in first position may not know how much is owed on other liens
- Privacy issues when attempting to contact other lienholders
- Consensus amendment

**EFFECT OF AMENDMENT:**

Replaces the measure.

**BACKGROUND:**

Multiple entities may hold liens on a property. In some instances, one lienholder may attempt to gather information on the amount of a senior lien so that it can be paid off. However, various state and federal laws may prohibit disclosure of that information, making it more difficult for a junior lienholder to obtain information on how to pay off a more senior lien.

House Bill 2459 A sets up a process allowing a person or agent of a person holding a lien to request an itemized statement from another lienholder. That statement must include the amount necessary to pay off the other lien and the amount of interest that accrues on the lien obligation. The measure allows the person receiving the request to fulfill it without the consent of the obligor, so long as consent is not required by federal or state law.