

Testimony of Rick Clayburgh
North Dakota Bankers Association
SB 2292
March 22, 2021

Chairman Lefor and members of the House Industry Business & Labor Committee, my name is Rick Clayburgh, President and CEO of the North Dakota Bankers Association (NDBA). I am here today on behalf of the NDBA to express our support for SB 2292.

The main purpose the bill is to allow a mortgagor and a mortgagee to enter into a mortgage modification for the purpose of extending the mortgage lien past its maturity date and to clarify that under the law the mortgage lien will be valid and effective 10 years from the modification's new mortgage maturity date and if no new maturity date is stated then 10 years from the date of the modification. The second purpose of the bill is to take an opportunity to clarify the language of existing law.

SECTION 3: Creates a new Section in the Century Code 35-03-15.1, which allows the parties to a mortgage to subsequently modify the mortgage to extend the maturity and its effectiveness by stating that if modified, the lien shall be effective for 10 years from the date of the last modified maturity date or 10 years from the date of the modification if no new maturity date is stated. Quite simply, this provision will save the parties the time and expense of entering into a new mortgage.

SECTION 1: Changes to Section 35-03-14 were made to reference the new section 35-03-15.1.

SECTION 2: Changes to Section 35-03-15 were made to reference the new section 35-03-15.1. In addition, to clarify that foreclosure by advertisement (only available to the government) will extend a mortgage, and to allow a mortgage holder who records a notice of enforcement of an assignment of rents to be treated the same as a mortgage holder who takes possession of the property. The rest of the changes were grammatical clarifications.

Thank you, Mr. Chairman – NDBA requests your favorable consideration with a **Do Pass** on SB 2292. I would be happy to try to answer any questions.