

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 1976

By: Ford

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7 COMMITTEE SUBSTITUTE

8 An Act relating to certain debt instruments and  
9 foreclosure of certain real estate mortgages;  
10 enacting the Starr Pierce Residential Real Estate  
11 Finance Reform Act of 2019; requiring plaintiff in  
12 certain foreclosure to make original instrument  
13 available for inspection or to provide certified copy  
14 of instrument; providing for attachment of certified  
15 copy of promissory note to petition; providing for  
16 dismissal without prejudice and prescribing  
17 procedures related thereto; imposing requirement on  
18 holder of certain promissory notes with respect to  
19 surrender or delivery of instruments; requiring  
20 instrument to contain information related to payment  
21 and satisfaction; prescribing requirements related to  
22 notification of assignment of promissory notes or  
23 assignment of rights arising under promissory notes;  
24 providing for applicability of certain provisions to  
promissory notes or other debt instruments based on  
date of execution; providing for codification;  
providing for noncodification; and declaring an  
emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law not to be  
codified in the Oklahoma Statutes reads as follows:

1 This act shall be known and may be cited as the "Starr Pierce  
2 Residential Real Estate Finance Reform Act of 2019".

3 SECTION 2. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 2061 of Title 12, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. In any action filed in any district court of the state on or  
7 after the effective date of this act for the foreclosure of a real  
8 estate mortgage, with respect to a single family residence, which  
9 secures a promissory note or other debt instrument executed to  
10 provide either the purchase money to acquire the real property or to  
11 make improvements on such property or as part of a transaction to  
12 refinance an existing debt with respect to such property, the  
13 plaintiff shall be required to make available for inspection to the  
14 person or persons that executed the promissory note or other debt  
15 instrument the original instrument or a certified copy of the  
16 instrument.

17 B. The requirements of subsection A of this section may be  
18 satisfied by attaching a certified copy of the instrument to the  
19 petition in the foreclosure action.

20 C. If the plaintiff fails to comply with the provisions of this  
21 section, the foreclosure action shall be dismissed without prejudice  
22 to refile upon a motion to dismiss filed by or on behalf of the  
23 person or persons named as defendants in the foreclosure proceeding  
24 who executed the promissory note or other debt instrument.

1 SECTION 3. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 201 of Title 24, unless there is  
3 created a duplication in numbering, reads as follows:

4 A. The holder of any promissory note or other debt instrument  
5 which was executed for the purpose of providing the purchase money  
6 to acquire a single family residence or to make improvements to a  
7 single family residence or to refinance an existing debt obligation  
8 executed with respect to a single family residence shall, upon full  
9 payment of all obligations created pursuant to the terms of the  
10 promissory note or other instrument, surrender such note or other  
11 debt instrument and deliver the instrument to the person or persons  
12 who executed such promissory note or other instrument and the note  
13 or other instrument shall be marked "paid in full" or "canceled" or  
14 shall bear such other statement that clearly and conspicuously  
15 indicates that the debt obligation described in the promissory note  
16 or other debt instrument has been satisfied.

17 B. The provisions of subsection A of this section shall be  
18 applicable to promissory notes or other debt instruments executed  
19 prior to the effective date of this act and shall be applicable to  
20 promissory notes or other debt instruments executed on or after the  
21 effective date of this act.

22 SECTION 4. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 202 of Title 24, unless there is  
24 created a duplication in numbering, reads as follows:

1       A. The holder of any promissory note or other debt instrument  
2 executed to obtain the purchase money to acquire a single family  
3 residence or to make improvements to a single family residence or to  
4 refinance an existing debt obligation with respect to a single  
5 family residence shall provide notice to the debtor or debtors of  
6 any assignment of the note or other debt instrument or of any  
7 assignment of rights with respect to such promissory note or other  
8 debt instrument in the manner prescribed by this section:

9       1. By providing written notice, by certified mail with return  
10 receipt requested, to the last-known address of the debtor or  
11 debtors as indicated by the records of the holder of the note  
12 indicating the date of the assignment and the legal name of the  
13 person or persons or other legal entity or entities to whom or to  
14 which the assignment has been made including a correct and current  
15 mailing address, email address, phone number or such other contact  
16 information which allows the debtor to communicate with the  
17 assignee; and

18       2. By providing electronic notice in the form of email to the  
19 last-known email address if the holder of the promissory note or  
20 other debt instrument has any email address for the debtor or debtor  
21 provided by the debtor in connection with any payment transaction  
22 with respect to the promissory note or other debt instrument  
23 indicating the date of the assignment and the legal name of the  
24 person or persons or other legal entity or entities to whom or to

1 which the assignment has been made including a correct and current  
2 mailing address, email address, phone number or such other contact  
3 information which allows the debtor to communicate with the  
4 assignee.

5 B. The provisions of subsection A of this section shall be  
6 applicable to promissory notes or other debt instruments executed  
7 prior to the effective date of this act and shall be applicable to  
8 promissory notes or other debt instruments executed on or after the  
9 effective date of this act.

10 C. The provisions of this section shall be applicable  
11 exclusively to promissory notes or other debt instruments executed  
12 for the purpose of acquiring or improving real property which is to  
13 be used as a single family residence and shall not be applicable to  
14 promissory notes or other debt instruments executed in connection  
15 with any other transaction involving other types of real property.

16 SECTION 5. It being immediately necessary for the preservation  
17 of the public peace, health or safety, an emergency is hereby  
18 declared to exist, by reason whereof this act shall take effect and  
19 be in full force from and after its passage and approval.

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