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INTEREST ON MORTGAGE LOAN RESERVE

ACCOUNT AMENDMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Terry R. Spencer

This act modifies the Financial Institutions Code by addressing its application to mortgage loan reserve accounts. The act also makes technical changes to the affected statutes.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

7-17-1, as enacted by Chapter 124, Laws of Utah 1979

7-17-10, as enacted by Chapter 124, Laws of Utah 1979

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **7-17-1** is amended to read:

7-17-1. Legislative intent.

[It] (1) Except as provided in Subsection (2), it is the intent of the Legislature that the provisions of this [act] chapter govern the rights, duties, and liabilities of borrowers and lenders with respect to reserve accounts established before and after [the effective date of this act] July 1, 1979.

(2) This chapter may not be applied to a reserve account to the extent that the reserve account is at issue in an action:

(a) that is filed before July 1, 1979; and

(b) for which, as of May 1, 2000, a final unappealable judgment or order has not been issued by a court of competent jurisdiction.

Section 2. Section **7-17-10** is amended to read:

7-17-10. Applicability of chapter to accounts and actions thereon.

[The] (1) Except as provided in Subsection (2), provisions of this [act] chapter shall apply:

[The] (a) to all reserve accounts; and

28 [~~(2)~~] (b) to all actions filed after January 1, 1979, to recover interest on or other
29 compensation for the use of the funds in any reserve account whether or not the reserve accounts
30 were established prior to or subsequent to July 1, 1979.

31 (2) (a) This chapter may not be applied to a reserve account to the extent that the reserve
32 account is at issue in an action:

33 (i) that is filed before July 1, 1979; and

34 (ii) for which, as of May 1, 2000, a final unappealable judgment or order has not been
35 issued by a court of competent jurisdiction.

36 (b) A person may not rely on this chapter in an action filed prior to July 1, 1979.

Legislative Review Note

as of 1-25-01 10:21 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel