

Original sponsor: Rules by Request/House Members  
of the Joint Committee on  
Economic Recovery

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 549 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to notice requirements in the use of  
7 a deed of trust; and providing for an effective  
8 date."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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\* Section 1. AS 34.20 is amended by adding a new section to read:

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Sec. 34.20.132. NOTICE OF OTHER REMEDIES. (a) When a lender

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uses a note as evidence of an obligation secured by a deed of trust,

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the note must affirmatively advise the trustor or borrower and any

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other party bound by the note if the beneficiary or lender wants the

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option to bring suit directly on the note to collect an amount owing

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under the note without first foreclosing the deed of trust. This

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option must be stated in writing within the note or as a separate

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document. If a note executed after the effective date of this Act

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fails to contain the notice specified in this section, the debt

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secured by the deed of trust may be foreclosed under AS 09.45.170 -

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09.45.220 or AS 34.20.070 - 34.20.135.

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(b) If the beneficiary or lender wishes to collect an amount

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owing under the note without first foreclosing the deed of trust, the

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following language is sufficient in the note:

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The trustor or borrower is personally obligated and fully

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liable for the amount due under the note. The security

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available to the beneficiary or lender is not limited to

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the property identified in the deed of trust and the bene-

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ficiary or lender has the right to sue on the note and

1 obtain a personal judgment against the trustor or borrower  
2 for satisfaction of the amount due under the note either  
3 before or after a judicial foreclosure of the deed of  
4 trust under AS 09.45.170 - 09.45.220.

5 (c) In this section, "note" includes a rider to the note.

6 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).