

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

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 549 (Judiciary)
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 mortgage or a deed of trust."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 34.20 is amended by adding a new section to read:
10 Sec. 34.20.160. NOTICE OF OTHER REMEDIES. (a) When a lender
11 uses a note as evidence of an obligation secured by a mortgage or deed
12 of trust, the note must affirmatively advise the mortgagor or trustor
13 and any other party bound by the note if the mortgagee or beneficiary
14 wants the option to bring suit directly on the note to collect an
15 amount owing under the note without first foreclosing the mortgage or
16 deed of trust. This option must be stated in writing within the note
17 or as a separate document. If a note executed after the effective
18 date of this Act fails to contain the notice specified in this sec-
19 tion, the debt secured by the mortgage or deed of trust may be fore-
20 closed under AS 09.45.170 - 09.45.220 or AS 34.20.070 - 34.20.135.
21 (b) If the mortgagee or beneficiary wishes to collect an amount
22 owing under the note without first foreclosing the mortgage or deed of
23 trust, the following language is sufficient in the note:
24 The mortgagor or trustor (borrower) is personally obligated
25 and fully liable for the amount due under the note. The
26 mortgagee or beneficiary (lender) has the right to sue on
27 the note and obtain a personal judgment against the mort-
28 gator or trustor for satisfaction of the amount due under
29 the note either before or after a judicial foreclosure of

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the mortgage or deed of trust under AS 09.45.170 - 09.45.-
220.