**A** **BILL**

TO AMEND CHAPTER 3, TITLE 29 OF THE 1976 CODE, RELATING GENERALLY TO MORTGAGES AND DEEDS OF TRUST, BY ADDING SECTION 29-3-110 TO REQUIRE NOTICE TO A MORTGAGE HOLDER UPON A SALE OR OTHER TRANSFER OF INTEREST IN THE PROPERTY SUBJECT TO THE MORTGAGE TO A BUSINESS ENTITY IF THE MORTGAGOR HAS AN INTEREST IN THE BUSINESS ENTITY ACQUIRING AN INTEREST IN THE PROPERTY.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 3, Title 29 of the 1976 Code is amended by adding:

“Section 29‑3‑110. (A) An owner of real property encumbered by a mortgage or other instrument conveying an interest in or creating a lien on the real property may not convey, transfer, or sell the real property to a limited liability company, corporation, real estate investment trust, or other business entity if the owner is a member of the limited liability company, an officer or director of the corporation, a trustee in the real estate investment trust, or is a person directly or indirectly controlling, or controlled by or under common control with the business entity unless the mortgagee, each person with and interest in the real property, or the lienholder has been given prior written notice of the conveyance, transfer, or sale.

(B) An owner of real property that violates this section is liable for actual damages proximately caused, and court costs, to a mortgagee, each person with and interest in the real estate, or lienholder. The court may award reasonable attorney’s fees incurred by the prevailing party.”

SECTION 2. This act takes effect upon approval by the Governor.

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