

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 957

Short Title: Real Property as Bond Collateral.

(Public)

Sponsors: Senators Odom; and Ballantine.

Referred to: Judiciary II.

April 5, 2001

A BILL TO BE ENTITLED

AN ACT TO SET REQUIREMENTS FOR THE USE OF REAL PROPERTY AS  
COLLATERAL SECURITY FOR CRIMINAL APPEARANCE BONDS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part 1 of Article 26 of Chapter 15A of the General Statutes is amended by adding a new section to read:

**"§ 15A-537.1. Use of real property as collateral security for bail bonds.**

(a) If real property is pledged as security for a bail bond, then the real property owner must provide the surety with the following:

- (1) A copy of the valuation of the real property from the county tax office of the county wherein the real property is located.
- (2) A written statement from the first lien holder of record indicating the balance of the indebtedness for which the property stands as collateral.
- (3) A calculation of the real property owner's equity in the real property.
- (4) A promissory Note and Deed of Trust in favor of the Clerk of Superior Court of the county where the defendant is bonded as trustee for the State.
- (5) A certificate of title.

(b) Real property may not be pledged as security for a bail bond unless the bail bond amount is less than seventy-five percent (75%) of the owner's equity in the real property.

(c) Only first mortgages made by the real property owner to a regulated lending institution shall be allowed to have priority over the bail bond lien. If there is a first mortgage on the real property, then the real property owner must file a request with the first lienholder that a notice of any sale of the subject real property be provided to the surety.

(d) When the surety's obligation under the bail bond is satisfied, the Clerk of Superior Court shall provide proof of satisfaction of the obligation to the surety. Once

1 the surety receives this proof of satisfaction, the surety shall remove the bail bond lien  
2 from the real property."

3           **SECTION 2.** This act becomes effective July 1, 2001.