

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 15-6-77 of the Official Code of Georgia Annotated, relating to fees  
2 and construction of other fee provisions regarding superior courts, so as to provide for the  
3 filing of land installment contracts in the superior court; to amend Chapter 5 of Title 44 of  
4 the Official Code of Georgia Annotated, relating to acquisition and loss of property, so as to  
5 provide for requirements for the execution of land installment contracts for the conveyance  
6 of real property; to provide for notice requirements to the purchaser; to provide for a period  
7 of cancellation and rescission; to provide that enforcement of defaults under land installment  
8 contracts for the conveyance of real property shall be the same as for foreclosures on  
9 mortgages; to provide for civil remedies, relief, and the award of damages; to provide for  
10 construction; to revise a definition; to provide for related matters; to provide for applicability;  
11 to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 **SECTION 1.**

14 Code Section 15-6-77 of the Official Code of Georgia Annotated, relating to fees and  
15 construction of other fee provisions regarding superior courts, is amended by revising  
16 division (f)(1)(A)(i) as follows:

"(f) Sums for filing documents, instruments, etc., pertaining to real estate or personal property, such sums to include recording and returning where applicable, shall be as follows and shall continue to be subject to the remittance requirements to be paid by the clerk pursuant to Code Section 15-6-61, 15-6-98, or 47-14-51:

(1)(A)(i) Filing each instrument pertaining to real estate including, but not limited to, each deed, deed of trust, affidavit, release, notice, certificate, cancellation, assignment, notice filing for Uniform Commercial Code related real estate, ~~and~~ assignment of a security deed or mortgage, and land installment contract . . . . . \$25.00

For any instrument that includes a request for cancellation, satisfaction, release, or assignment of more than one instrument, the filing fee specified in this division shall be submitted and paid for each such instrument which is to be canceled, satisfied, released, or assigned."

## SECTION 2.

Chapter 5 of Title 44 of the Official Code of Georgia Annotated, relating to acquisition and loss of property, is amended by adding a new article to read as follows:

### "ARTICLE 2A

44-5-50.

As used in this article, the term 'land installment contract' means an agreement under which the seller agrees to sell an interest in property to the purchaser and the purchaser agrees to pay the purchase price in five or more subsequent payments, exclusive of any down payment, and the seller retains title to the property as security for the purchaser's obligation under the agreement; provided, however, that such term shall not include option contracts for the purchase of real property or purchase and sale agreements entered into with the

41 good faith expectation of a separate transaction in which a third party or the seller agrees  
42 to finance the purchase price in a single installment; and provided, further, that such term  
43 shall include agreements that are leases with an option to buy.

44 44-5-51.

45 (a)(1) A seller shall not execute a land installment contract with a purchaser if the seller  
46 does not own the property in fee simple and free from any liens or other encumbrances.

47 (2) A seller, or the seller's heirs or assigns, shall maintain fee simple title, free from any  
48 liens or other encumbrances, to the property covered by a land installment contract for  
49 the duration of the land installment contract; provided, however, that this paragraph shall  
50 not apply to a lien or encumbrance placed on the property by, or as a result of the conduct  
51 of, the purchaser.

52 (b)(1) Within 60 days prior to the execution of a land installment contract, the seller shall  
53 have the property that is subject to the land installment contract appraised by an appraiser  
54 licensed pursuant to Chapter 39A of Title 43. The seller shall provide a copy of the  
55 appraiser's report to the purchaser. The appraiser's report shall include, but not be limited  
56 to, any observable defects in the condition of the property and violations of local  
57 occupancy codes.

58 (2) If an appraiser's report indicates any defects in the condition of the property, the  
59 seller shall repair such defects prior to executing a land installment contract with the  
60 purchaser.

61 44-5-52.

62 (a) At the time of the execution of a land installment contract, there shall be on a separate  
63 sheet of paper with no other written or pictorial material, in at least 14 point boldface type,  
64 double spaced, the following notice which shall serve as a cover sheet for the land  
65 installment contract:

'THIS IS A LAND INSTALLMENT CONTRACT FOR THE SALE OF REAL  
PROPERTY. FOR THE DURATION OF THIS CONTRACT, THE SELLER  
REMAINS THE OWNER OF THE PROPERTY. YOUR FAILURE TO COMPLY  
WITH THE TERMS OF THIS AGREEMENT MAY RESULT IN THE SELLER'S  
RIGHT TO TAKE POSSESSION OF THE PROPERTY THROUGH FORECLOSURE  
BEFORE YOUR FINAL PAYMENT AND THE CONVEYANCE OF THE DEED.'

(b) A land installment contract shall include:

- (1) The full names and the current mailing addresses of all the parties to the contract;
- (2) The date when the contract was signed by each party;
- (3) A legal description of the property that is the subject of the land installment contract;
- (4) The contract price of the property conveyed;
- (5) Any charges or fees for services that are includable in the contract separate from the contract price;
- (6) The payment terms of the contract and the amount of any down payment paid by the purchaser;
- (7) The principal balance owed;
- (8) The amount and due date of each installment payment;
- (9) The interest rate on the unpaid balance;
- (10) A statement of any encumbrances against the property;
- (11) A statement requiring the seller to deliver a general warranty deed or other deed on completion of the terms of the contract;
- (12) A provision that the seller provide evidence of title;
- (13) A provision stating that the seller shall not hold any mortgage on the property;
- (14) A provision that the seller shall cause a copy of the contract to be recorded in the superior court of the county in which the property is located within 20 days after the execution of the contract; and

(15) A provision that the seller shall maintain homeowner's insurance for the property and the extent of the coverage of the insurance and to whom the insurance is payable.

(c)(1) During the term of a land installment contract, the seller shall:

(A) Pay all taxes, assessments, and other charges against the property from the date of the contract;

(B) Maintain homeowner's insurance on the property and pay the homeowner's insurance premiums; and

(C) Perform all repairs and maintenance on the property necessary to keep the property in conformance with the housing codes of the city or county.

(2) A land installment contract shall, within the contract, include the following statement in at least 14 point boldface type, double spaced:

'THE SELLER IS RESPONSIBLE FOR THE PAYMENT OF TAXES, ASSESSMENTS, AND OTHER CHARGES AGAINST THE PROPERTY FROM THE DATE OF THE CONTRACT, THE PAYMENT OF HOMEOWNER'S INSURANCE PREMIUMS, AND ALL REPAIRS AND MAINTENANCE ON THE PROPERTY.'

(d) Within 20 days after the execution of a land installment contract, the seller shall cause a copy of such contract to be recorded in the superior court of the county in which the property is located.

(e) No interest on a land installment contract shall be more than 2 percent above the treasury bill rate for loans of the same maturity on the date of the contract.

(f)(1) A purchaser may cancel and rescind a land installment contract for any reason by sending by certified mail or statutory overnight delivery a signed, written notice of cancellation to the seller not later than the fourteenth day after the date of the execution of the contract. If the purchaser cancels the land installment contract as provided for under this subsection, the seller shall, not later than the tenth day after receiving such

118 written notice of cancellation, return to the purchaser the executed contract and any  
119 property exchanged or payments made by the purchaser under such contract.

120 (2) A land installment contract shall include in immediate proximity to the space  
121 reserved in a land installment contract for the purchaser's signature the following  
122 statement in at least 14 point boldface type, double spaced:

123 'YOU, THE PURCHASER, MAY CANCEL THIS CONTRACT AT ANY TIME  
124 UNTIL THE 14TH DAY AFTER YOU HAVE SIGNED THIS CONTRACT. THE  
125 DEADLINE FOR CANCELING THIS CONTRACT IS (DATE).'

126 (g) For purposes of a purchaser in default under a land installment contract and a seller  
127 seeking a remedy, such land installment contract shall be deemed a mortgage and shall be  
128 subject to the same rules of foreclosure on mortgages as are provided for under Part 2 of  
129 Article 7 of Chapter 14 of this title.

130 (h) Upon the failure of any seller under a land installment contract to comply with the  
131 provisions of this article, the purchaser may enforce such provisions as defenses,  
132 counterclaims, or an affirmative claim in the superior court of the county in which the  
133 property is located. Upon a determination of the court that the seller has failed to comply  
134 with the provisions of this article, the court shall grant relief to the purchaser in the form  
135 of the return to the purchaser of moneys paid by the purchaser, actual damages, and  
136 injunctive or other equitable relief. The court may award reasonable attorney's fees, court  
137 costs, and expenses to a prevailing purchaser. For intentional or willful violations of this  
138 article, the court shall award statutory damages of \$5,000.00.

139 44-5-53.

140 Except as specifically provided for in this article, nothing in this article shall be construed  
141 to otherwise limit the contractual rights and remedies of the parties and laws pertaining to  
142 the conveyance of property and dispossessory actions."

143

**SECTION 3.**

144

This Act shall apply to land installment contracts for the conveyance of real property entered  
145 into on or after July 1, 2021.

146

**SECTION 4.**

147

All laws and parts of laws in conflict with this Act are repealed.