

SENATE BILL NO. 1594

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BECK.

6513S.011

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 442, RSMo, by adding thereto fifteen new sections relating to contracts for deeds.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 442, RSMo, is amended by adding thereto
2 fifteen new sections, to be known as sections 442.800, 442.802,
3 442.805, 442.808, 442.815, 442.818, 442.821, 442.824, 442.827,
4 442.830, 442.833, 442.836, 442.839, 442.842, and 442.845, to
5 read as follows:

442.800. 1. Sections 442.800 to 442.845 shall be
2 known and may be cited as the "Contract for Deed Act".

3 2. As used in sections 442.800 to 442.845, the
4 following terms mean:

5 (1) "Contract for deed", both a long term contract for
6 deed and a short term contract for deed;

7 (2) "Default", the failure to:

8 (a) Make a timely payment; or

9 (b) Comply with a term of a contract for deed;

10 (3) "Long term contract for deed", an executory
11 contract for conveyance of real property, other than a newly
12 constructed residence not theretofore occupied, that is used
13 or to be used as a purchaser's residence or as the residence
14 of a person related to the purchaser within the second
15 degree of consanguinity or affinity, that includes an option

16 to purchase the property if the term of the contract and any
17 extension thereof is more than three years;

18 (4) "Short term contract for deed", an executory
19 contract for conveyance of real property, other than a newly
20 constructed residence not theretofore occupied, that is used
21 or to be used as a purchaser's residence or as the residence
22 of a person related to the purchaser within the second
23 degree of consanguinity or affinity, that includes an option
24 to purchase the property if the term of the contract and any
25 extension thereof is three years or less.

442.802. 1. Sections 442.800 to 442.845 shall not
2 apply to:

3 (1) An executory contract that provides for the
4 delivery of a deed from the seller to the purchaser within
5 one hundred eighty days of the date of the final execution
6 of the executory contract; or

7 (2) Any transaction involving the conveyance of real
8 property where the seller is a bank licensed under Missouri
9 law.

10 2. For purposes of sections 442.800 to 442.845, a
11 disclosure required by such sections that is made by a
12 seller's agent shall be deemed a disclosure made by the
13 seller.

442.805. 1. A contract for deed shall not be
2 enforceable unless the contract is in writing and signed by
3 the party to be bound or by that party's authorized
4 representative.

5 2. The rights and obligations of the parties to a
6 contract for deed shall be determined solely from the
7 written contract, and any prior oral agreements between the
8 parties shall be superseded by the contract.

9 3. A contract for deed shall not be varied by any oral
10 agreements or discussions that occur before or
11 contemporaneously with the execution of the contract.

12 4. The seller shall include in a separate document or
13 in a provision of a contract for deed a statement printed in
14 fourteen-point bold-faced type or fourteen-point uppercase
15 typewritten letters that reads substantially similar to the
16 following:

17 THIS EXECUTORY CONTRACT REPRESENTS THE FINAL
18 AGREEMENT BETWEEN THE SELLER AND PURCHASER AND MAY
19 NOT BE CONTRADICTED BY EVIDENCE OF PRIOR,
20 CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF
21 THE PARTIES. THERE ARE NO UNWRITTEN ORAL
22 AGREEMENTS BETWEEN THE PARTIES.

23	_____	_____
24	(Date)	(Signature of Seller)
25	_____	_____
26	(Date)	(Signature of Purchaser)

27 5. Not less than ten days before a contract for deed
28 is signed by the purchaser, the seller shall provide to the
29 purchaser a written statement that specifies:

- 30 (1) The purchase price of the property;
31 (2) The interest rate charged under the contract;
32 (3) The total amount of principal and interest, which
33 shall be reasonably estimated if the interest rate is
34 variable, to be paid under the contract;
35 (4) The late charge, if any, that may be assessed
36 under the contract;

37 (5) The interest rate upon default, if any, charged
38 under the contract; and

39 (6) The fact that the seller shall not charge a
40 prepayment penalty or any similar fee if the purchaser
41 elects to pay the entire amount due under the contract
42 before the scheduled payment date under the contract.

43 6. A potential seller shall not execute a contract for
44 deed with a potential purchaser if the seller does not own
45 the property in fee simple free from any liens or other
46 encumbrances not previously disclosed in writing to the
47 purchaser in accordance with subsection 1 of this section.

48 7. Except as provided by subsection 6 of this section,
49 a seller, or the seller's heirs or assigns, shall maintain
50 fee simple title free from any liens or other encumbrances
51 to property covered by a contract for deed for the entire
52 duration of the contract. This subsection shall not apply
53 to a lien or encumbrance placed on the property that is:

54 (1) Placed on the property because of the conduct of
55 the purchaser;

56 (2) Agreed to by the purchaser as a condition of a
57 loan obtained to place improvements on the property,
58 including utility or fire protection improvements; or

59 (3) Placed on the property by the seller prior to the
60 execution of the contract in exchange for a loan used only
61 to purchase or repair the property, or subsequently placed
62 on the property by the seller in exchange for a loan to
63 refinance such prior loan, if:

64 (a) The seller, not later than the third day before
65 the date the contract is executed, notifies the purchaser in
66 a separate written disclosure:

67 a. Of the name, address, and phone number of the
68 lienholder or, if applicable, servicer of the loan;

69 b. Of the loan number and outstanding balance of the
70 loan;

71 c. Of the monthly payments due on the loan and the due
72 date of those payments;

73 d. In fourteen-point type that, if the seller fails to
74 make timely payments to the lienholder, the lienholder may
75 attempt to collect the debt by foreclosing on the lien and
76 selling the property at a foreclosure sale; and

77 e. Of seller's consent to allow purchaser to receive
78 communications from the lienholder about the loan secured by
79 the lien;

80 (b) The lien:

81 a. Is attached only to the property sold to the
82 purchaser under the contract;

83 b. Secures indebtedness that, at no time, is or will
84 be greater in amount than the amount of the total
85 outstanding balance owed by the purchaser under the
86 executory contract; and

87 c. Secures indebtedness that by its terms is scheduled
88 to be fully repaid on a date before the date on which the
89 purchaser's installment payments on the executory contract
90 are scheduled to be fully paid;

91 (c) The lienholder:

92 a. Does not prohibit the property from being
93 encumbered by an executory contract;

94 b. Agrees in the lien instrument or other recorded
95 instrument to give written notice to purchaser of any
96 indebtedness default; and

97 c. Consents to verify the status of the loan on
98 request of the purchaser and to accept payments directly
99 from the purchaser if the seller defaults on the
100 indebtedness; and

(d) The following covenants are placed in the executory contract:

a. A covenant that obligates the seller to make timely payments on the loan and to give monthly statements to the purchaser reflecting the amount paid to the lienholder, and the information described by paragraph (a) of this subdivision;

b. A covenant that obligates the seller, not later than the third day after the seller receives or has actual knowledge of a document or an event described by this subparagraph, to notify the purchaser in writing in fourteen-point type that the seller has been sent a notice of default, notice of acceleration, or notice of foreclosure or has been sued in connection with a lien on the property and to attach a copy of all related documents received to the written notice; and

c. A covenant that warrants that if the seller does not make timely payments on the loan or any other indebtedness secured by the property, the purchaser may, without notice, cure any deficiency with a lienholder directly and deduct from the total outstanding balance owed by the purchaser under the executory contract, without the necessity of judicial action, one hundred fifty percent of any amount paid to the lienholder.

8. A violation of subsections 4, 6, or 7 of this section or section 442.833:

(1) Is an unlawful practice within the meaning of sections 407.020 and 407.025 and is actionable in a public or private suit brought under such sections; and

(2) In addition to other rights or remedies provided by law, entitles the purchaser to cancel and rescind a contract for deed and receive from the seller:

133 (a) The return of all payments of any kind made to the
134 seller under the contract; and

135 (b) Reimbursement for:

136 a. Any payments the purchaser made to a taxing
137 authority for the property; and

138 b. The value of any improvements made to the property
139 by the purchaser.

140 9. The provisions of subsection 8 of this section
141 shall not limit or effect any other rights or remedies a
142 purchaser has under any other law.

143 10. A seller is not liable under this section if:

144 (1) A lien is placed on the property by a person other
145 than the seller; and

146 (2) Not later than the thirtieth day after the date
147 the seller receives notice of the lien, the seller takes all
148 steps necessary to remove the lien and has the lien removed
149 from the property.

442.808. 1. Before a long term contract for deed is
2 signed by the purchaser, the seller shall provide the
3 purchaser with:

4 (1) A statement of the amount, if any, of delinquent
5 real property taxes or assessments due and owing on the
6 property subject to the contract; and

7 (2) A legible copy of any insurance policy, binder, or
8 other evidence relating to the property that indicates:

9 (a) The name of the insurer and the insured;

10 (b) A description of the property insured; and

11 (c) The amount for which the property is insured.

12 2. Not less than ten days before a long term contract
13 for deed is signed by the purchaser, the seller shall
14 provide the purchaser with:

(1) A legible copy of the recorded instrument demonstrating the seller owns the property, and any document that describes an encumbrance or other claim, including a restrictive covenant or easement, that affects title to the real property; and

(2) A written notice, which shall be attached to the contract proposed for execution, informing the purchaser of the condition of the property that shall, at a minimum, be completed by the seller, and executed by the seller and purchaser and read substantially similar to the following:

WARNING: IF ANY OF THE ITEMS BELOW HAVE NOT BEEN CHECKED, YOU MAY NOT BE ABLE TO LIVE ON THE PROPERTY. BEFORE SIGNING A CONTRACT, YOU HAVE THE RIGHT TO INSPECT THE PROPERTY INSIDE AND OUT. SELLER'S DISCLOSURE NOTICE CONCERNING THE PROPERTY AT _____ (insert street address or legal description and city)

THIS DOCUMENT STATES CERTAIN APPLICABLE FACTS ABOUT THE PROPERTY YOU ARE CONSIDERING PURCHASING. CHECK ALL THE ITEMS THAT ARE APPLICABLE OR TRUE:

_____ The property is in a recorded subdivision.

_____ The property has water service that has been approved by the appropriate municipal, county, or state agency and that provides potable water.

_____ The property has operable public sewer service.

_____ The property has an operable, private septic system sewer which has been approved by the appropriate municipal, county, or state agency for installation of a septic system.

48 _____ The property has electric service.

49 _____ The property has operable gas or propane
50 service.

51 _____ The property is not in a one hundred year
52 floodplain.

53 _____ The roads to the boundaries of the property
54 are paved and maintained by:

55 _____ The seller;

56 _____ The owner of the property on which the road
57 exists;

58 _____ The municipality;

59 _____ The county; or

60 _____ The state.

61 _____ No individual or entity other than the
62 seller:

63 Owns the property;

64 Has a claim of ownership to the property; or

65 Has an interest in the property.

66 _____ No individual or entity has a lien filed
67 against the property.

68 _____ There are no restrictive covenants,
69 easements, or other title exceptions or
70 encumbrances that prohibit construction of a
71 house on the property.

72 NOTICE: SELLER ADVISES PURCHASER TO:

73 (1) OBTAIN A TITLE ABSTRACT OR TITLE
74 COMMITMENT COVERING THE PROPERTY AND HAVE THE

75 ABSTRACT OR COMMITMENT REVIEWED BY AN ATTORNEY
76 BEFORE SIGNING A CONTRACT OF THIS TYPE; AND

77 (2) PURCHASE AN OWNER'S POLICY OF TITLE
78 INSURANCE COVERING THE PROPERTY.

79 _____
80 (Date) (Signature of Seller)

81 _____
82 (Date) (Signature of Purchaser)

83 3. If the property is not located in a recorded
84 subdivision, the seller shall provide the purchaser with a
85 separate disclosure form stating that utilities may not be
86 available to the property until the subdivision is recorded
87 as required by law.

88 4. If the seller advertises property for sale under a
89 long term contract for deed, the advertisement shall
90 disclose information regarding the availability of water,
91 sewer, and electric service.

442.815. 1. A seller shall not include as a term of a
2 contract for deed a provision that:

3 (1) Imposes a late payment fee that exceeds five
4 percent of the monthly payment under the contract;

5 (2) Imposes a prepayment penalty or any similar fee if
6 the purchaser elects to pay the entire amount due under the
7 contract before the scheduled payment date under the
8 contract; or

9 (3) Forfeits that portion of an option fee or other
10 option payment exceeding one thousand five hundred dollars
11 paid under the contract for a late payment.

12 2. A provision of a contract for deed that purports to
13 waive a right or exempt a party from a liability or duty
14 pursuant to sections 442.800 to 442.845 shall be void.

15 3. Subdivision (2) of subsection 1 of this section
16 shall not apply to a short term contract for deed.

 442.818. 1. In addition to other rights or remedies
2 provided by law, the purchaser may cancel and rescind a long
3 term contract for deed for any reason by sending by
4 certified or registered mail, return receipt requested, or
5 by delivering in person a signed, written notice of
6 cancellation to the seller not later than the fourteenth day
7 after the date the purchaser signs the contract.

8 2. If the purchaser cancels a long term contract for
9 deed as provided by subsection 1 of this section, the seller
10 shall, not later than the tenth day after the date the
11 seller receives the purchaser's notice of cancellation:

12 (1) Return to the purchaser the executed contract and
13 any property exchanged or payments made by the purchaser
14 under the contract; and

15 (2) Cancel and release any security interest arising
16 out of the contract.

17 3. The seller shall include in immediate proximity to
18 the space reserved in a long term contract for deed for the
19 purchaser's signature a statement printed in fourteen-point
20 bold-faced type or fourteen-point uppercase typewritten
21 letters that reads substantially similar to the following:

22 YOU, THE PURCHASER, MAY CANCEL THIS CONTRACT
23 AT ANY TIME DURING THE NEXT TWO WEEKS. THE
24 DEADLINE FOR CANCELING THE CONTRACT IS _____
25 (insert date). THE ATTACHED NOTICE OF CANCELLATION
26 EXPLAINS THIS RIGHT.

4. The seller shall provide a notice of cancellation form to the purchaser at the time the purchaser signs a long term contract for deed that is printed in fourteen-point bold-faced type or fourteen-point uppercase typewritten letters and that reads substantially similar to the following:

(date of contract)

NOTICE OF CANCELLATION

YOU MAY CANCEL THE CONTRACT FOR ANY REASON WITHOUT ANY PENALTY OR OBLIGATION BY _____ (insert date).

(1) YOU MUST SEND BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, OR DELIVER IN PERSON A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE TO

(Name of Seller) AT
(Seller's Address) BY _____
(insert date).

(2) THE SELLER SHALL, NOT LATER THAN THE TENTH DAY AFTER THE DATE THE SELLER RECEIVES YOUR CANCELLATION NOTICE:

(a) RETURN THE EXECUTED CONTRACT AND ANY PROPERTY EXCHANGED OR PAYMENTS MADE BY YOU UNDER THE CONTRACT; AND

(b) CANCEL AND RELEASE ANY SECURITY INTEREST ARISING OUT OF THE CONTRACT.

I ACKNOWLEDGE RECEIPT OF THIS NOTICE OF CANCELLATION FORM.

(Date) (Signature of Purchaser)

I HEREBY CANCEL THIS CONTRACT

(Date)

(Signature of Purchaser)

5. The seller shall not request the purchaser to sign a waiver of receipt of the notice of cancellation form required by this section.

6. In addition to other rights or remedies provided by law, the purchaser may cancel and rescind a long term contract for deed at any time if the purchaser learns that the property that is covered by the contract is not properly subdivided, split, or platted in accordance with state and local law, and the seller has failed to correct the deficiency within six months of receiving written notice from buyer. A purchaser cancelling and rescinding a contract under this subsection shall:

(1) Deliver a signed, written notice of the cancellation and rescission to the seller in person; or

(2) Send a signed, written notice of the cancellation and rescission to the seller by certified or registered mail, return receipt requested.

7. If a purchaser cancels a contract as provided under subsection 6 of this section, the seller, not later than the tenth day after the date the seller receives the notice of cancellation and rescission, shall:

(1) Deliver in person or send by certified or registered mail, return receipt requested, to the purchaser a signed, written notice that the seller intends to subdivide or plat the property properly; or

85 (2) Return to the purchaser all payments of any kind
86 made to the seller under the contract and reimburse the
87 purchaser for:

88 (a) Any payments the purchaser made to a taxing
89 authority for the property; and

90 (b) The value of any improvements made to the property
91 by the purchaser.

92 8. A purchaser shall not exercise the purchaser's
93 right to cancel and rescind a long term contract for deed
94 pursuant to subsection 6 of this section if, on or before
95 the ninetieth day after the date the purchaser receives the
96 seller's notice pursuant to section 442.824, the seller:

97 (1) Properly subdivides or plats the property; and

98 (2) Delivers in person or sends by certified or
99 registered mail, return receipt requested, to the purchaser
100 a signed, written notice evidencing that the property has
101 been subdivided or platted in accordance with state and
102 local law.

103 9. The seller shall not terminate the purchaser's
104 possession of the property covered by a long term contract
105 for deed being cancelled and rescinded before the seller
106 pays the purchaser any money to which the purchaser is
107 entitled.

 442.821. 1. Except as provided by subsection 2 of
2 this section, the seller shall record a long term contract
3 for deed, including the attached disclosure statement
4 required by subdivision (2) of subsection 5 of section
5 442.805, in the land records of the county in which the
6 property is located on or before the thirtieth day after the
7 date the contract is executed.

8 2. If a long term contract for deed is terminated for
9 any reason, the seller shall record an instrument that

10 releases and terminates the contract, accompanied by an
11 affidavit executed by the seller certifying the termination
12 occurred in compliance with the terms of the contract,
13 including, if applicable, certification of delivery of a
14 written default and termination notice from seller to
15 purchaser, and that the property is not occupied by the
16 purchaser.

442.824. 1. A seller may enforce the remedy of
2 rescission or of forfeiture and acceleration against a
3 purchaser in default under a contract for deed only if:

4 (1) The seller notifies, in the manner described in
5 subsection 2 of this section, the purchaser of:

6 (a) The seller's intent to enforce a remedy under this
7 section; and

8 (b) The purchaser's right to cure the default within
9 the thirty-day period described by subsection 3 of this
10 section;

11 (2) The purchaser fails to cure the default within the
12 thirty-day period described by subsection 3 of this section;
13 and

14 (3) Section 442.827 does not apply.

15 2. (1) Notice shall be in writing and shall be
16 delivered by registered or certified mail, return receipt
17 requested. The notice shall be conspicuous and printed in
18 fourteen-point bold-faced type or fourteen-point uppercase
19 typewritten letters, and shall include on a separate page
20 the following statement:

21 NOTICE

22 YOU ARE NOT COMPLYING WITH THE TERMS OF THE
23 CONTRACT TO BUY YOUR PROPERTY. UNLESS YOU TAKE THE
24 ACTION SPECIFIED IN THIS NOTICE BY _____ (insert

25 date), THE SELLER HAS THE RIGHT TO TAKE POSSESSION
26 OF YOUR PROPERTY.

27 (2) In addition to the requirements of subdivision (1)
28 of this subsection, the notice shall:

29 (a) Identify and explain the remedy the seller intends
30 to enforce;

31 (b) If the purchaser has failed to make a timely
32 payment, specify:

33 a. The delinquent amount, itemized into principal and
34 interest;

35 b. Any additional charges claimed, such as late
36 charges or attorney's fees; and

37 c. The period to which the delinquency and additional
38 charges relate; and

39 (c) If the purchaser has failed to comply with a term
40 of the contract, identify the term violated and the action
41 required to cure the violation.

42 (3) Notice by mail is given when it is mailed to the
43 purchaser's residence or place of business. The affidavit
44 of a person knowledgeable of the facts to the effect that
45 notice was given is prima facie evidence of notice in an
46 action involving a subsequent bona fide purchaser for value
47 if the purchaser is not in possession of the real property
48 and if the stated time to avoid the forfeiture has expired.
49 A bona fide subsequent purchaser for value who relies upon
50 the affidavit under this subsection shall take title free
51 and clear of the contract.

52 3. Notwithstanding an agreement to the contrary, a
53 purchaser in default under a contract for deed may avoid the
54 enforcement of a remedy described by subsection 1 of this
55 section by complying with the terms of the contract on or

56 before the thirtieth day after the date notice is given
57 under that subsection.

442.827. 1. If a purchaser defaults after the
2 purchaser has paid thirty percent or more of the amount due
3 or the equivalent of forty-eight monthly payments under a
4 long term contract for deed:

5 (1) The seller shall be granted the power to sell,
6 through a trustee designated by the seller, the purchaser's
7 interest in the property:

8 (a) As provided by this section; or

9 (b) As provided under the procedures specified in
10 sections 443.190 to 443.270;

11 (2) The seller shall not enforce the remedy of
12 rescission or of forfeiture and acceleration; and

13 (3) The seller may exercise the power granted under
14 subdivision (1) of this subsection after first notifying the
15 purchaser of a default under the contract and allowing the
16 purchaser at least thirty days after the date notice is
17 given to cure the default. The notice shall be provided as
18 prescribed by subsection 2 of section 442.824 except that
19 the notice specified in subsection 2 of section 442.824
20 shall be replaced by the following statement:

21 NOTICE

22 YOU ARE NOT COMPLYING WITH THE TERMS OF THE
23 CONTRACT TO BUY YOUR PROPERTY. UNLESS YOU TAKE
24 THE ACTION SPECIFIED IN THIS NOTICE BY _____
25 (insert date), A TRUSTEE DESIGNATED BY THE SELLER
26 HAS THE RIGHT TO SELL YOUR PROPERTY AT A PUBLIC
27 AUCTION.

28 2. The trustee or a substitute trustee designated by
29 the seller under subdivision (1) of subsection 1 of this

30 section shall publish and serve a notice of sale as
31 prescribed by sections 443.310, 443.320, and 443.325. A
32 notice of sale shall not be valid unless it is given after
33 the period to cure has expired.

34 3. The trustee or a substitute trustee designated by
35 the seller shall conduct the sale as prescribed by section
36 443.327. The seller shall:

37 (1) Convey to a purchaser at a sale conducted under
38 this section fee simple title to the real property; and

39 (2) Warrant that the property is free from any
40 encumbrance.

41 4. The remaining balance of the amount due under a
42 long term contract for deed shall be the debt for purposes
43 of a sale under this section. If the net proceeds of the
44 sale exceed the debt amount, the seller shall disburse the
45 excess funds to the purchaser under the contract. If the
46 proceeds of the sale are insufficient to extinguish the debt
47 amount, the seller's right to recover the resulting
48 deficiency shall be subject to sections 443.230 and 443.240
49 unless a provision of the contract releases the purchaser
50 under the contract from liability.

51 5. The affidavit of a person knowledgeable of the
52 facts that states that the notice was given and the sale was
53 conducted as provided by this section shall be prima facie
54 evidence of those facts. A purchaser for value who relies
55 on an affidavit under this subsection shall acquire title to
56 the property free and clear of a long term contract for deed.

57 6. Notwithstanding any terms of a contract to the
58 contrary, the placement of a lien for the reasonable value
59 of improvements to residential real estate for purposes of
60 providing utility service to the property shall not

61 constitute a default under the terms of a long term contract
62 for deed for the purchase of the real property.

442.830. 1. The seller shall provide the purchaser
2 with an annual statement in January of each year for the
3 term of a long term contract for deed. If the seller mails
4 the statement to the purchaser, the statement shall be
5 postmarked not later than January thirty-first.

6 2. The statement required by subsection 1 of this
7 section shall include the seller's good faith understanding
8 of the following information:

9 (1) The amount paid under the contract;

10 (2) The remaining amount owed under the contract;

11 (3) The number of payments remaining under the
12 contract;

13 (4) The amounts paid to taxing authorities on the
14 purchaser's behalf if collected by the seller;

15 (5) The amounts paid to insure the property on the
16 purchaser's behalf if collected by the seller;

17 (6) If the property has been damaged and the seller
18 has received insurance proceeds, an accounting of the
19 proceeds applied to the property; and

20 (7) If the seller has changed insurance coverage, a
21 legible copy of the current policy, binder, or other
22 evidence that satisfies the requirements of subdivision (2)
23 of subsection 1 of section 442.808.

24 3. A seller who conducts less than two transactions in
25 a twelve-month period under this section who fails to comply
26 with subsection 1 of this section shall be liable to the
27 purchaser for:

28 (1) Liquidated damages in the amount of one hundred
29 dollars for each annual statement the seller fails to

30 provide to the purchaser within the time required by
31 subsection 1 of this section; and

32 (2) Reasonable attorney's fees.

33 4. A seller who conducts two or more transactions in a
34 twelve-month period under this section who fails to comply
35 with subsection 1 of this section shall be liable to the
36 purchaser for:

37 (1) Liquidated damages in the amount of two hundred
38 fifty dollars a day for each day after January thirty-first
39 that the seller fails to provide the purchaser with the
40 statement, but not to exceed the fair market value of the
41 property; and

42 (2) Reasonable attorney's fees.

442.833. 1. The named insured under an insurance
2 policy, binder, or other coverage relating to property
3 subject to a long term contract for deed shall inform the
4 insurer, not later than the tenth day after the date the
5 coverage is obtained or the contract executed, whichever is
6 later, of:

7 (1) The long term contract for deed and the term of
8 the contract; and

9 (2) The name and address of the other party to the
10 contract.

11 2. An insurer who disburses proceeds under an
12 insurance policy, binder, or other coverage relating to
13 property that has been damaged shall issue the proceeds
14 jointly to the purchaser and the seller designated in a long
15 term contract for deed, and to any lender secured by any
16 deed of trust affecting the property if such deed of trust
17 so requires.

18 3. If proceeds under an insurance policy, binder, or
19 other coverage are disbursed, the purchaser and seller shall

20 ensure that the proceeds are used to repair, remedy, or
21 improve the condition on the property.

22 4. Notwithstanding the provisions of this section to
23 the contrary, and unless any existing deed of trust
24 affecting the property states otherwise, if the insurer
25 determines repair is not feasible, the insurance proceeds
26 shall first be used to satisfy any remaining amounts due
27 under the deed of trust and promissory note which it secures
28 and shall then be used to satisfy any remaining amounts due
29 under a long term contract for deed. Any remaining balance
30 shall be paid to the purchaser.

442.836. 1. The seller shall transfer recorded, legal
2 title of the property covered by a long term contract for
3 deed to the purchaser not later than the thirtieth day after
4 the date the seller receives the purchaser's final payment
5 due under the contract.

6 2. Unless a court finds good cause for noncompliance,
7 a seller who violates subsection 1 of this section shall be
8 liable to the purchaser for:

9 (1) Liquidated damages in the amount of:

10 (a) Two hundred fifty dollars a day for each day the
11 seller fails to transfer the title to the purchaser during
12 the period that begins the thirty-first day and ends the
13 ninetieth day after the date the seller receives the
14 purchaser's final payment due under the contract; and

15 (b) Five hundred dollars a day for each day the seller
16 fails to transfer title to the purchaser after the ninetieth
17 day after the date the seller receives the purchaser's final
18 payment due under the contract; and

19 (2) Reasonable attorney's fees.

20 3. If a person to whom a seller's property interest
21 passes by will or intestate succession is required to obtain

22 a court order to clarify the person's status as an heir or
23 to clarify the status of the seller of the property before
24 the person may convey good and indefeasible title to the
25 property, the court in which the action is pending may waive
26 payment of the liquidated damages and attorney's fees under
27 subsection 2 of this section if the court finds that the
28 person is pursuing the action to establish good and
29 indefeasible title with reasonable diligence.

30 4. As used in this section, the term "seller" includes
31 a successor, assignee, personal representative, executor, or
32 administrator of the seller.

33 5. As used in this section, the phrase "good cause for
34 noncompliance" includes the failure of the seller, if the
35 seller is an heir to the original seller, to have received
36 from the original seller or any other person notice of the
37 requirements of a long term contract for deed.

442.839. 1. A purchaser, at any time after paying
2 fifteen percent of the principal purchase price and without
3 paying penalties or charges of any kind, shall be entitled
4 to convert the purchaser's interest in property under a long
5 term contract for deed into recorded, legal title in
6 accordance with this section.

7 2. If the purchaser tenders to the seller an amount of
8 money equal to the balance of the total amount owed by the
9 purchaser to the seller under a long term contract for deed,
10 the seller shall transfer to the purchaser recorded, legal
11 title of the property covered by the contract.

12 3. Subject to subsection 4 of this section, if the
13 purchaser delivers to the seller of property covered by a
14 long term contract for deed a promissory note that is equal
15 in amount to the balance of the total amount owed by the
16 purchaser to the seller under the contract and that contains

17 the same interest rate, due dates, and late fees as the
18 contract:

19 (1) The seller shall execute a deed containing any
20 warranties required by the contract and conveying to the
21 purchaser recorded, legal title of the property; and

22 (2) The purchaser shall simultaneously execute a deed
23 of trust that:

24 (a) Contains the same terms as the contract regarding
25 the purchaser's and seller's duties concerning the property;

26 (b) Secures the purchaser's payment and performance
27 under the promissory note and deed of trust; and

28 (c) Conveys the property to the trustee, in trust, and
29 confers on the trustee the power to sell the property if the
30 purchaser defaults on the promissory note or the terms of
31 the deed of trust.

32 4. On or before the tenth day after the date the
33 seller receives a promissory note under subsection 3 of this
34 section that substantially complies with that subsection,
35 the seller shall:

36 (1) Deliver to the purchaser a written explanation
37 that legally justifies why the seller refuses to convert the
38 purchaser's interest into recorded, legal title under
39 subsection 3 of this section; or

40 (2) Communicate with the purchaser to schedule a
41 mutually agreeable day and time to execute the deed and deed
42 of trust under subsection 3 of this section.

43 5. A seller who violates this section is liable to the
44 purchaser in the same manner and amount as a seller who
45 violates section 442.836 is liable to a purchaser. This
46 subsection shall not limit or affect any other rights or
47 remedies a purchaser has under other law.

48 6. On the last date that all of the conveyances
49 described by subsections 2 and 3 of this section are
50 executed, a long term contract for deed:

51 (1) Shall be considered completed; and

52 (2) Shall have no further effect.

442.842. 1. A purchaser under a long term contract
2 for deed, on written request, shall be entitled to receive
3 the following information from the seller:

4 (1) As of the date of the request or another date
5 specified by the purchaser, the amount owed by the purchaser
6 under the contract; and

7 (2) If applicable, the name and address of the
8 seller's desired trustee for a deed of trust to be executed
9 under section 442.839.

10 2. On or before the tenth day after the date the
11 seller receives from the purchaser a written request for
12 information described by subsection 1 of this section, the
13 seller shall provide to the purchaser a written statement of
14 the requested information.

15 3. If the seller does not timely respond to a request
16 made under this section, the purchaser may:

17 (1) Determine or pay the amount owed under the
18 contract, including determining the amount necessary for a
19 promissory note under section 442.839; and

20 (2) If applicable, select a trustee for a deed of
21 trust under section 442.839. The seller may replace the
22 trustee with a trustee of seller's choice at any time.

23 4. For purposes of subdivision (2) of subsection 3 of
24 this section, a purchaser shall select a trustee that lives
25 or has a place of business in the same county where the
26 property covered by the contract is located.

27 5. Not later than the twentieth day after the date a
28 seller receives notice of an amount determined by a
29 purchaser under subdivision (1) of subsection 3 of this
30 section, the seller may contest that amount by sending a
31 written objection to the purchaser. An objection under this
32 subsection shall:

33 (1) Be sent to the purchaser by regular and certified
34 mail;

35 (2) Include the amount the seller claims is the amount
36 owed under the contract; and

37 (3) Be based on written records kept by the seller or
38 the seller's agent that were maintained and regularly
39 updated for the entire term of the contract.

 442.845. If a seller is liable to a purchaser under
2 sections 442.800 to 442.845, the purchaser, without taking
3 judicial action, may deduct the amount owed to the purchaser
4 by the seller from any amounts owed to the seller by the
5 purchaser under the terms of a long term contract for deed.

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