

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 55-60 of the Code of Virginia, relating to purchase money trusts.*

3 [S 504]

4 Approved

5 **Be it enacted by the General Assembly of Virginia:**6 **1. That § 55-60 of the Code of Virginia is amended and reenacted as follows:**

7 § 55-60. Meaning of phrases that may be included in such trust deed.

8 The following provisions may be incorporated in any such deed of trust in the respective short forms
9 indicated, namely:10 (1) The words "identified by trustee's signature," or words of like purport, shall be construed as if the
11 deed set forth: "All of which said notes (or other obligations) bear the marginal signature of the trustee
12 for the purpose of identification but for no other purpose whatever."13 (2) The words "deferred purchase money," "*purchase money*" or words of like purport, shall be
14 construed as if the deed set forth: "This deed of trust is a contemporaneous purchase money deed of
15 trust and secures the payment of deferred purchase money due by the grantor upon the property hereby
16 conveyed." *Any deed of trust securing a loan, proceeds of which are used by the borrower to acquire*
17 *the secured real property, shall be deemed to be a purchase money deed of trust.*18 (3) The words "exemptions waived," or words of like purport, shall be construed as if the deed set
19 forth: "The grantor hereby waives the benefit of his exemptions as to the debt hereby secured and as to
20 all other obligations which may be imposed upon him by the provisions of this deed of trust."21 (4) The words "subject to all upon default," or words of like purport, shall be construed as if the
22 deed set forth: "Should default be made in the payment of any part of the debt hereby secured, principal
23 or interest, at the maturity of such part, or in the event of the breach of any of the covenants entered
24 into or imposed upon the grantor, then the entire obligation of this deed of trust and the whole debt
25 hereby secured shall, at the option of the beneficiaries, become forthwith due and payable."26 (5) The words "renewal or extension permitted," or words of like purport, shall be construed as if the
27 deed set forth: "The grantor hereby consents and agrees that the debt hereby secured, or any part
28 thereof, may be renewed or extended beyond maturity as often as may be desired by agreement between
29 the creditor and any subsequent owner of the property, and no such renewal or extension shall in any
30 way affect the grantor's responsibility, whether as surety or otherwise."31 (5a) The words "reinstatement permitted" or words of like purport shall be construed as if the deed
32 set forth: "The grantor and any other party assuming liability hereunder hereby consent and agree that if
33 the property conveyed hereby or a substantial portion thereof is transferred to any subsequent owner,
34 and the creditor exercises the right to accelerate the debts secured hereby, the creditor may accept any
35 delinquent payments or other cure of default giving rise to such acceleration from the then owner of the
36 property or any other person and reinstate the indebtedness in accordance with the schedule of maturity
37 as of the time of acceleration or upon such new schedule as may be agreed if renewal or extension are
38 otherwise permitted and no such reinstatement shall in any way affect the liability of such prior parties,
39 whether as surety or otherwise."40 The words "renewal, extension or reinstatement permitted," or words of like purport, shall have the
41 meaning ascribed to the individual words or phrases in this subsection (5a) and in subsection (5).42 (6) The words "right of anticipation reserved," or words of like purport, shall be construed as if the
43 deed set forth: "The grantor reserves the right to anticipate the payment of the debt hereby secured, or
44 any part thereof which is represented by a separate note (or other obligation) at any interest period by
45 the payment of principal and interest to the date of such anticipated payment only."46 (7) The words "priority in direct order of maturity," or words of like purport shall be construed as if
47 the deed set forth: "The notes (or other obligations) hereby secured have priority amongst themselves in
48 the direct order of their maturities, each having priority over all others falling due after its maturity."
49 And the words, "priority in inverse order of maturity," or words of like purport, shall be construed as if
50 the deed set forth: "The notes (or other obligations) hereby secured have priority amongst themselves in
51 the inverse order of their maturities, each having priority over all others falling due before its maturity."52 (8) The words "insurance required dollars," or words of similar purport, shall be construed
53 as if the deed set forth: "The grantor covenants that he will keep the improvements on the property
54 insured against fire in some solvent insurance company approved by the trustee for the benefit of the
55 beneficiaries hereunder in the sum of at least dollars, and will deposit with the trustee or
56 beneficiary the policies, with standard loss payable clauses with full contribution in favor of the trustee

57 as his interest may appear; and the grantor further covenants that in the event of his failure to keep the
58 property so insured and the policies so deposited, then the trustee or any beneficiary may, at his option,
59 effect such insurance and pay the premium thereon and the money so paid, with interest thereon, shall
60 become a part of the debt hereby secured, in the event of sale to be paid next after the expenses of
61 executing this trust, and shall be otherwise recoverable from the grantor as a debt, but there shall be no
62 obligation upon the trustee or beneficiary to effect such insurance."

63 (9) The words "substitution of trustee permitted," or words of like purport, shall be construed as if
64 the deed set forth: "Grantor grants unto the beneficiary or beneficiaries or to a majority in amount of the
65 holders of the obligations secured hereunder and to their assigns the right and power, under the
66 provisions of § 26-49, to appoint a substitute trustee or trustees."

67 (10) The words "any trustee may act," or words of similar purport, shall be construed as if the deed
68 set forth: "The grantors, and all interested in the obligations hereby secured, by accepting the benefits
69 hereof, agree that all authority, power and discretion hereinabove granted to the trustees may be
70 exercised by any of them, without any other, with the same effect as if exercised jointly by all of them."

71 (11) The words "this is a credit line deed of trust," or words of like purport, if in capital letters or
72 underscored and on the first page of the deed of trust and containing the name and address of the
73 noteholder, shall have the meaning set forth in § 55-58.2.