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Finance Amendments
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Michael K. McKell
House Sponsor: Jordan D. Teuscher

LONG TITLE

General Description:

This bill enacts provisions related to finance.

Highlighted Provisions:

This bill:

- ▶ modifies the exclusions to the definition of title loan;
- ▶ defines terms;
- ▶ establishes the scope of the Uniform Special Deposits Act;
- ▶ allows parties to an agreement under the Uniform Special Deposits Act to choose a forum in Utah for settling a dispute, regardless of whether the dispute occurred in Utah;
- ▶ provides that sections of the Uniform Special Deposits Act may vary by agreement or amendment;
- ▶ establishes requirements for a special deposit;
- ▶ requires that a special deposit serve a permissible purpose;
- ▶ provides the conditions under which a bank shall pay a beneficiary funds in the balance of a special deposit;
- ▶ establishes the interest of a depositor or beneficiary in a special deposit;
- ▶ allows a court to grant relief to prevent a bank from paying a depositor or beneficiary of a special deposit if a payment would result in fraud;
- ▶ provides that except in certain circumstances, a bank may not exercise a right of recoupment or set off against a special deposit;
- ▶ establishes the duties and liabilities of a bank in regards to a special deposit;
- ▶ provides that a special deposit terminates five years after the date on which the special deposit was first funded;
- ▶ describes the application of governing law over special deposits;

- 28 ▶ provides that the provisions of this act only apply to an agreement executed after the
- 29 effective date of this bill, unless the parties to a special deposit amend the agreement;
- 30 ▶ provides that the provisions of this act are severable if a provision of the act is found
- 31 invalid;
- 32 ▶ establishes the scope of the Uniform Mortgage Modification Act;
- 33 ▶ codifies the types of modifications that may be made to a mortgage loan that will not
- 34 materially prejudice interest holders; and
- 35 ▶ contains safe harbor provisions for mortgage modifications that do not materially
- 36 prejudice the holders of a junior interest.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

7-24-102, as last amended by Laws of Utah 2015, Chapter 284

ENACTS:

- 7-28-101**, Utah Code Annotated 1953
- 7-28-102**, Utah Code Annotated 1953
- 7-28-103**, Utah Code Annotated 1953
- 7-28-104**, Utah Code Annotated 1953
- 7-28-105**, Utah Code Annotated 1953
- 7-28-106**, Utah Code Annotated 1953
- 7-28-107**, Utah Code Annotated 1953
- 7-28-108**, Utah Code Annotated 1953
- 7-28-109**, Utah Code Annotated 1953
- 7-28-110**, Utah Code Annotated 1953
- 7-28-111**, Utah Code Annotated 1953
- 7-28-112**, Utah Code Annotated 1953
- 7-28-113**, Utah Code Annotated 1953
- 7-28-114**, Utah Code Annotated 1953
- 7-28-115**, Utah Code Annotated 1953
- 7-28-116**, Utah Code Annotated 1953
- 70D-4-101**, Utah Code Annotated 1953

- 62 **70D-4-201**, Utah Code Annotated 1953
63 **70D-4-301**, Utah Code Annotated 1953
64 **70D-4-401**, Utah Code Annotated 1953
65 **70D-4-501**, Utah Code Annotated 1953
66 **70D-4-601**, Utah Code Annotated 1953
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68 *Be it enacted by the Legislature of the state of Utah:*69 Section 1. Section **7-24-102** is amended to read:70 **7-24-102 . Definitions.**

71 As used in this chapter:

72 (1) "Nationwide database" means the Nationwide Mortgage Licensing System and
73 Registry, authorized under 12 U.S.C. Sec. 5101 for federal licensing of mortgage loan
74 originators.

75 (2) "Rollover" means the extension or renewal of the term of a title loan.

76 (3)(a) "Title lender" means a person that extends a title loan.

77 (b) "Title lender" includes a person that:

78 (i) arranges a title loan on behalf of a title lender;

79 (ii) acts as an agent for a title lender; or

80 (iii) assists a title lender in the extension of a title loan.

81 (4)(a) "Title loan" means a loan secured by the title to a:

82 (i) motor vehicle, as defined in Section 41-6a-102;

83 (ii) mobile home, as defined in Section 41-6a-102; or

84 (iii) motorboat, as defined in Section 73-18-2.

85 (b) "Title loan" includes a title loan extended at the same premise on which any of the
86 following are sold:

87 (i) a motor vehicle, as defined in Section 41-6a-102;

88 (ii) a mobile home, as defined in Section 41-6a-102; or

89 (iii) a motorboat, as defined in Section 73-18-2.

90 (c) "Title loan" does not include:

91 (i) a purchase money loan;

92 (ii) a loan made in connection with the sale of a:

93 (A) motor vehicle, as defined in Section 41-6a-102;

94 (B) mobile home, as defined in Section 41-6a-102; or

95 (C) motorboat, as defined in Section 73-18-2;[~~or~~]

- 96 (iii) a loan extended by an institution listed in Section 7-24-305[-] ; or
 97 (iv) a loan with a repayment term that is longer than 364 days.

98 Section 2. Section **7-28-101** is enacted to read:

99 **CHAPTER 28. UNIFORM SPECIAL DEPOSITS ACT**

100 **7-28-101 . Definitions.**

101 As used in this chapter:

- 102 (1) "Account agreement" means an agreement that:
 103 (a) is in a record between a bank and one or more depositors;
 104 (b) may have one or more beneficiaries as additional parties; and
 105 (c) states the intention of the parties to establish a special deposit governed by this
 106 chapter.
- 107 (2)(a) "Bank" means a person engaged in the business of banking.
 108 (b) "Bank" includes a savings bank, savings and loan association, credit union, and trust
 109 company.
 110 (c) Each branch or separate office of a bank is a separate bank for the purpose of this
 111 chapter.
- 112 (3) "Beneficiary" means a person that:
 113 (a) is identified as a beneficiary in an account agreement; or
 114 (b) if not identified as a beneficiary in an account agreement, may be entitled to payment
 115 from a special deposit:
 116 (i) under the account agreement; or
 117 (ii) on termination of the special deposit.
- 118 (4) "Contingency" means an event or circumstance stated in an account agreement that is
 119 not certain to occur but shall occur before the bank is obligated to pay a beneficiary.
- 120 (5) "Creditor process" means attachment, garnishment, levy, notice of lien, sequestration, or
 121 similar process issued by or on behalf of a creditor or other claimant.
- 122 (6) "Depositor" means a person that establishes or funds a special deposit.
- 123 (7) "Good faith" means honesty in fact and observance of reasonable commercial standards
 124 of fair dealing.
- 125 (8) "Knowledge of a fact" means:
 126 (a) with respect to a beneficiary, actual knowledge of the fact; or
 127 (b) with respect to a bank holding a special deposit:
 128 (i) if the bank:
 129 (A) has established a reasonable routine for communicating material information

- 130 to an individual to whom the bank has assigned responsibility for the special
131 deposit; and
- 132 (B) maintains reasonable compliance with the routine, actual knowledge of the
133 fact by that individual; or
- 134 (ii) if the bank has not established and maintained reasonable compliance with a
135 routine described in Subsection (8)(b)(i) or otherwise exercised due diligence,
136 implied knowledge of the fact that would have come to the attention of an
137 individual to whom the bank has assigned responsibility for the special deposit.
- 138 (9) "Obligated to pay a beneficiary" means a beneficiary is entitled under the account
139 agreement to receive from the bank a payment when:
- 140 (a) a contingency has occurred; and
- 141 (b) the bank has knowledge the contingency has occurred.
- 142 (10)(a) "Permissible purpose" means a governmental, regulatory, commercial,
143 charitable, or testamentary objective of the parties stated in an account agreement.
- 144 (b) "Permissible purpose" includes an objective to:
- 145 (i) hold funds:
- 146 (A) in escrow, including for a purchase and sale, lease, buyback, or other
147 transaction;
- 148 (B) as a security deposit of a tenant;
- 149 (C) that may be distributed to a person as remuneration, retirement or other
150 benefit, or compensation under a judgment, consent decree, court order, or
151 other decision of a tribunal; or
- 152 (D) for distribution to a defined class of persons after identification of the class
153 members and the class members' interest in the funds;
- 154 (ii) provide assurance with respect to an obligation created by contract, such as
155 earnest money to ensure a transaction closes;
- 156 (iii) settle an obligation that arises in the operation of a payment system, securities
157 settlement system, or other financial market infrastructure;
- 158 (iv) provide assurance with respect to an obligation that arises in the operation of a
159 payment system, securities settlement system, or other financial market
160 infrastructure; or
- 161 (v) hold margin, other cash collateral, or funds that support the orderly functioning of
162 financial market infrastructure or the performance of an obligation with respect to
163 the infrastructure.

- 164 (11)(a) "Person" means an individual, estate, business or nonprofit entity, government or
 165 governmental subdivision, agency, or instrumentality, or other legal entity.
- 166 (b) "Person" includes a protected series, however denominated, of an entity if the
 167 protected series is established under law that limits, or limits if conditions specified
 168 under law are satisfied, the ability of a creditor of the entity or of any other protected
 169 series of the entity to satisfy a claim from assets of the protected series.
- 170 (12) "Record" means information:
- 171 (a) inscribed on a tangible medium; or
 172 (b) stored in an electronic or other medium and retrievable in perceivable form.
- 173 (13) "Special deposit" means a deposit that satisfies Section 7-28-104.
- 174 (14)(a) "State" means a state of the United States, the District of Columbia, Puerto Rico,
 175 the United States Virgin Islands, or any other territory or possession subject to the
 176 jurisdiction of the United States.
- 177 (b) "State" includes an agency or instrumentality of the state.
- 178 Section 3. Section **7-28-102** is enacted to read:
- 179 **7-28-102 . Scope -- Choice of law -- Forum.**
- 180 (1) This chapter applies to a special deposit under an account agreement that states the
 181 intention of the parties to establish a special deposit governed by this chapter, regardless
 182 of whether a party to the account agreement or a transaction related to the special
 183 deposit, or the special deposit itself, has a reasonable relation to this state.
- 184 (2) The parties to an account agreement may choose a forum in this state for settling a
 185 dispute arising out of the special deposit, regardless of whether a party to the account
 186 agreement or a transaction related to the special deposit, or the special deposit itself, has
 187 a reasonable relation to this state.
- 188 (3) This chapter does not affect:
- 189 (a) a right or obligation relating to a deposit other than a special deposit under this
 190 chapter; or
 191 (b) the voidability of a deposit or transfer that is fraudulent or voidable under other law.
- 192 Section 4. Section **7-28-103** is enacted to read:
- 193 **7-28-103 . Variation by agreement or amendment.**
- 194 (1)(a) The effect of Sections 7-28-101 through 7-28-105, Sections 7-28-107 through
 195 7-28-110, and Section 7-28-113 may not be varied by agreement, except as provided
 196 in those sections.
- 197 (b) Subject to Subsection (2), the effect of Sections 7-28-106, 7-28-111, and 7-28-112

- 198 may be varied by agreement.
- 199 (2) A provision in an account agreement or other record that substantially excuses liability
200 or substantially limits remedies for failure to perform an obligation under this chapter is
201 not sufficient to vary the effect of a provision of this chapter.
- 202 (3) If a beneficiary is a party to an account agreement, the bank and the depositor may
203 amend the agreement without the consent of the beneficiary only if the agreement
204 expressly permits the amendment.
- 205 (4) If a beneficiary is not a party to an account agreement and the bank and the depositor
206 know the beneficiary has knowledge of the agreement's terms, the bank and the
207 depositor may amend the agreement without the consent of the beneficiary only if the
208 amendment does not adversely and materially affect a payment right of the beneficiary.
- 209 (5) If a beneficiary is not a party to an account agreement and the bank and the depositor do
210 not know whether the beneficiary has knowledge of the agreement's terms, the bank and
211 the depositor may amend the agreement without the consent of the beneficiary only if
212 the amendment is made in good faith.

213 Section 5. Section **7-28-104** is enacted to read:

214 **7-28-104 . Requirements for special deposit.**

215 A deposit is a special deposit if the deposit is:

- 216 (1) a deposit of funds in a bank under an account agreement;
217 (2) for the benefit of at least two beneficiaries, one or more of which may be a depositor;
218 (3) denominated in a medium of exchange that is currently authorized or adopted by a
219 domestic or foreign government;
220 (4) for a permissible purpose stated in the account agreement; and
221 (5) subject to a contingency.

222 Section 6. Section **7-28-105** is enacted to read:

223 **7-28-105 . Permissible purpose.**

- 224 (1) A special deposit must serve at least one permissible purpose stated in the account
225 agreement from the time the special deposit is created in the account agreement until
226 termination of the special deposit.
- 227 (2) If, before termination of the special deposit, the bank or a court determines the special
228 deposit no longer satisfies Subsection (1), Sections 7-28-107 through 7-28-110 cease to
229 apply to any funds deposited in the special deposit after the special deposit ceases to
230 satisfy Subsection (1).
- 231 (3) If, before termination of a special deposit, the bank determines the special deposit no

232 longer satisfies Subsection (1), the bank may take action the bank believes is necessary
233 under the circumstances, including terminating the special deposit.

234 Section 7. Section **7-28-106** is enacted to read:

235 **7-28-106 . Payment to beneficiary by bank.**

236 (1) Unless the account agreement provides otherwise, the bank is obligated to pay a
237 beneficiary if there are sufficient actually and finally collected funds in the balance of
238 the special deposit.

239 (2) Except as provided in Subsection (3), the obligation to pay the beneficiary is excused if
240 the funds available in the special deposit are insufficient to cover such payment.

241 (3)(a) Unless the account agreement provides otherwise, if the funds available in the
242 special deposit are insufficient to cover an obligation to pay a beneficiary, a
243 beneficiary may elect to be paid the funds that are available or, if there is more than
244 one beneficiary, a pro rata share of the funds available.

245 (b) Payment to the beneficiary making the election under this Subsection (3) discharges
246 the bank's obligation to pay a beneficiary and does not constitute an accord and
247 satisfaction with respect to another person obligated to the beneficiary.

248 (4) Unless the account agreement provides otherwise, the obligation of the bank obligated
249 to pay a beneficiary is immediately due and payable.

250 (5) The bank may discharge the bank's obligation under this section by:

251 (a) crediting another transaction account of the beneficiary; or

252 (b) taking other action that:

253 (i) is permitted under the account agreement for the bank to obtain a discharge; or

254 (ii) otherwise would constitute a discharge under law.

255 (6) If the bank obligated to pay a beneficiary has incurred an obligation to discharge the
256 obligation of another person, the obligation of the other person is discharged if action by
257 the bank under Subsection (5) would constitute a discharge of the obligation of the other
258 person under law that determines whether an obligation is satisfied.

259 Section 8. Section **7-28-107** is enacted to read:

260 **7-28-107 . Property interest of depositor or beneficiary.**

261 (1) Neither a depositor nor a beneficiary has a property interest in a special deposit.

262 (2)(a) Any property interest with respect to a special deposit is only in the right to
263 receive payment if the bank is obligated to pay a beneficiary and not in the special
264 deposit itself.

265 (b) Any property interest under this Subsection (2) is determined under other law.

266 Section 9. Section **7-28-108** is enacted to read:

267 **7-28-108 . When creditor process enforceable against bank.**

- 268 (1) Subject to Subsection (2), creditor process with respect to a special deposit is not
269 enforceable against the bank holding the special deposit.
- 270 (2) Creditor process is enforceable against the bank holding a special deposit with respect
271 to an amount the bank is obligated to pay a beneficiary or a depositor if the process:
272 (a) is served on the bank;
273 (b) provides sufficient information to permit the bank to identify the depositor or the
274 beneficiary from the bank's books and records; and
275 (c) gives the bank a reasonable opportunity to act on the process.
- 276 (3)(a) Creditor process served on a bank before the creditor process is enforceable
277 against the bank under Subsection (2) does not create a right of the creditor against
278 the bank or a duty of the bank to the creditor.
- 279 (b) Other law determines whether creditor process creates a lien enforceable against the
280 beneficiary on a contingent interest of a beneficiary, including a depositor as a
281 beneficiary, even if not enforceable against the bank.

282 Section 10. Section **7-28-109** is enacted to read:

283 **7-28-109 . Injunction or similar relief.**

284 A court may enjoin, or grant similar relief that would have the effect of enjoining, a
285 bank from paying a depositor or beneficiary only if payment would constitute a material fraud
286 or facilitate a material fraud with respect to a special deposit.

287 Section 11. Section **7-28-110** is enacted to read:

288 **7-28-110 . Recoupment or set off.**

- 289 (1) Except as provided in Subsection (2) or (3), a bank may not exercise a right of
290 recoupment or set off against a special deposit.
- 291 (2) An account agreement may authorize the bank to debit the special deposit:
292 (a) when the bank becomes obligated to pay a beneficiary, in an amount that does not
293 exceed the amount necessary to discharge the obligation;
294 (b) for a fee assessed by the bank that relates to an overdraft in the special deposit
295 account;
296 (c) for costs incurred by the bank that relate directly to the special deposit; or
297 (d) to reverse an earlier credit posted by the bank to the balance of the special deposit
298 account, if the reversal occurs under an event or circumstance warranted under other
299 law of this state governing mistake and restitution.

300 (3) The bank holding a special deposit may exercise a right of recoupment or set off against
301 an obligation to pay a beneficiary, even if the bank funds payment from the special
302 deposit.

303 Section 12. Section **7-28-111** is enacted to read:

304 **7-28-111 . Duties and liability of bank.**

305 (1) A bank does not have a fiduciary duty to any person with respect to a special deposit.

306 (2) When the bank holding a special deposit becomes obligated to pay a beneficiary, a
307 debtor-creditor relationship arises between the bank and beneficiary.

308 (3) The bank holding a special deposit has a duty to a beneficiary to comply with the
309 account agreement and this chapter.

310 (4)(a) If the bank holding a special deposit does not comply with the account agreement
311 or this chapter, the bank is liable to a depositor or beneficiary only for damages
312 proximately caused by the noncompliance.

313 (b) Except as provided by other law of this state, the bank is not liable for consequential,
314 special, or punitive damages.

315 (5) The bank holding a special deposit may rely on records presented in compliance with
316 the account agreement to determine whether the bank is obligated to pay a beneficiary.

317 (6)(a) If the account agreement requires payment on presentation of a record, the bank
318 shall determine within a reasonable time whether the record is sufficient to require
319 payment.

320 (b) If the agreement requires action by the bank on presentation of a record, the bank is
321 not liable for relying in good faith on the genuineness of the record if the record
322 appears on the record's face to be genuine.

323 (7) Unless the account agreement provides otherwise, the bank is not required to determine
324 whether a permissible purpose stated in the agreement continues to exist.

325 Section 13. Section **7-28-112** is enacted to read:

326 **7-28-112 . Term and termination.**

327 (1) Unless otherwise provided in the account agreement, a special deposit terminates five
328 years after the date the special deposit was first funded.

329 (2) Unless otherwise provided in the account agreement, if the bank cannot identify or
330 locate a beneficiary entitled to payment when the special deposit is terminated, and a
331 balance remains in the special deposit, the bank shall pay the balance to the depositor or
332 depositors as a beneficiary or beneficiaries.

333 (3) A bank that pays the remaining balance as provided under Subsection (2) has no further

334 obligation with respect to the special deposit.

335 Section 14. Section **7-28-113** is enacted to read:

336 **7-28-113 . Principles of law and equity.**

337 Title 70A, Uniform Commercial Code, consumer protection law, law governing deposits
338 generally, law related to escheat and abandoned or unclaimed property, and the principles of
339 law and equity, including law related to capacity to contract, principal and agent, estoppel,
340 fraud, misrepresentation, duress, coercion, mistake, and bankruptcy, supplement this chapter
341 except to the extent inconsistent with this chapter.

342 Section 15. Section **7-28-114** is enacted to read:

343 **7-28-114 . Uniformity of application and construction.**

344 In applying and construing this uniform act, a court shall consider the promotion of
345 uniformity of the law among jurisdictions that enact this uniform act.

346 Section 16. Section **7-28-115** is enacted to read:

347 **7-28-115 . Transitional provision.**

348 This chapter applies to:

349 (1) a special deposit made under an account agreement executed on or after May 7, 2025;

350 and

351 (2) a deposit made under an agreement executed before May 7, 2025, if:

352 (a) all parties entitled to amend the agreement agree to make the deposit a special
353 deposit governed by this chapter; and

354 (b) the special deposit referenced in the amended agreement satisfies Section 7-28-104.

355 Section 17. Section **7-28-116** is enacted to read:

356 **7-28-116 . Severability.**

357 If a provision of this chapter or the chapter's application to a person or circumstance is
358 held invalid, the invalidity does not affect another provision or application that can be given
359 effect without the invalid provision.

360 Section 18. Section **70D-4-101** is enacted to read:

361 **CHAPTER 4. UNIFORM MORTGAGE MODIFICATION ACT**

362 **70D-4-101 . Definitions.**

363 (1) "Electronic" means relating to technology having electrical, digital, magnetic, wireless,
364 optical, electromagnetic, or similar capabilities.

365 (2) "Financial covenant" means an undertaking to demonstrate an obligor's creditworthiness
366 or the adequacy of security provided by an obligor.

367 (3) "Modification" includes change, amendment, revision, correction, addition,

- 368 supplementation, elimination, waiver, and restatement.
- 369 (4)(a) "Mortgage" means an agreement that creates a consensual interest in real property
370 to secure payment or performance of an obligation regardless of how the agreement
371 is denominated, including a mortgage, deed of trust, trust deed, security deed,
372 indenture, or deed to secure debt, and regardless of whether the agreement also
373 creates a security interest in personal property.
- 374 (b) "Mortgage" does not include an agreement that creates a consensual interest to
375 secure a liability owed by a unit owner to a condominium association, owners
376 association, or cooperative housing association for association dues, fees, or
377 assessments.
- 378 (5) "Mortgage modification" means modification of:
- 379 (a) a mortgage;
- 380 (b) an agreement that creates an obligation, including a promissory note, loan
381 agreement, or credit agreement; or
- 382 (c) an agreement that creates other security or credit enhancement for an obligation,
383 including an assignment of leases or rents or a guaranty.
- 384 (6) "Obligation" means a debt or other duty or liability secured by a mortgage.
- 385 (7) "Obligor" means a person that:
- 386 (a) owes payment or performance of an obligation;
- 387 (b) signs a mortgage; or
- 388 (c) is otherwise accountable, or whose property serves as collateral, for payment or
389 performance of an obligation.
- 390 (8) "Person" means an individual, estate, business or nonprofit entity, government or
391 governmental subdivision, agency, instrumentality, or other legal entity.
- 392 (9) "Recognized index" means an index to which changes in the interest rate may be linked
393 that is readily available to, and verifiable by, the obligor and is beyond the control of the
394 person to whom the obligation is owed.
- 395 (10) "Record" means information:
- 396 (a) inscribed on a tangible medium; or
- 397 (b) stored in an electronic or other medium and retrievable in perceivable form.
- 398 (11) "Sign" means, with present intent to authenticate or adopt a record:
- 399 (a) to execute or adopt a tangible symbol; or
- 400 (b) to attach to or logically associate with the record an electronic symbol, sound, or
401 process.

402 Section 19. Section **70D-4-201** is enacted to read:

403 **70D-4-201 . Scope.**

- 404 (1) Except as provided in Subsection (3), this chapter applies to a mortgage modification.
- 405 (2) This chapter does not affect the following law of this state:
- 406 (a) law governing the required content of a mortgage;
- 407 (b) a statute of limitations or other law governing the expiration or termination of a right
- 408 to enforce an obligation or a mortgage;
- 409 (c) a recording statute;
- 410 (d) a statute governing the priority of a tax lien or other governmental lien;
- 411 (e) a statute of frauds; or
- 412 (f) except as provided in Subsection 70D-4-301(2)(h), law governing the priority of a
- 413 future advance.
- 414 (3) This chapter does not apply to:
- 415 (a) a release of, or addition to, property encumbered by a mortgage;
- 416 (b) a release of, addition of, or other change in an obligor; or
- 417 (c) an assignment or other transfer of a mortgage or an obligation.

418 Section 20. Section **70D-4-301** is enacted to read:

419 **70D-4-301 . Effect of mortgage modification.**

- 420 (1) For a mortgage modification described in Subsection (2):
- 421 (a) the mortgage continues to secure the obligation as modified;
- 422 (b) the priority of the mortgage is not affected by the modification;
- 423 (c) the mortgage retains the mortgage's priority regardless of whether a record of the
- 424 mortgage modification is recorded; and
- 425 (d) the modification is not a novation.
- 426 (2) Subsection (1) applies to one or more of the following:
- 427 (a) an extension of the maturity date of an obligation;
- 428 (b) a decrease in the interest rate of an obligation;
- 429 (c) if there is any change as specified in Subsection (2)(c)(i) through (iv) that does not
- 430 result in an increase in the interest rate as calculated on the date the modification
- 431 becomes effective:
- 432 (i) a change to a different recognized index if the previous index is no longer
- 433 available;
- 434 (ii) a change in the differential between the index and the interest rate;
- 435 (iii) a change from a floating or adjustable rate to a fixed rate; and

- 436 (iv) a change from a fixed rate to a floating or adjustable rate based on a recognized
437 index;
- 438 (d) a capitalization of unpaid interest or other unpaid obligation;
- 439 (e) a forgiveness, forbearance, or other reduction of principal, accrued interest, or other
440 monetary obligation;
- 441 (f) a modification of a requirement for maintaining an escrow or reserve account for
442 payment of an obligation, including taxes, insurance premiums, or another obligation;
- 443 (g) a modification of a requirement for acquiring or maintaining insurance;
- 444 (h) a modification of an existing condition to advance funds;
- 445 (i) a modification of a financial covenant; and
- 446 (j) a modification of the payment amount or schedule resulting from another
447 modification described in this Subsection (2).
- 448 (3) The effect of a mortgage modification not described in Subsection (2) is governed by
449 other law.

450 Section 21. Section **70D-4-401** is enacted to read:

451 **70D-4-401 . Uniformity of application and construction.**

452 In applying and construing this uniform act, a court shall consider the promotion of
453 uniformity of the law among jurisdictions that enact it.

454 Section 22. Section **70D-4-501** is enacted to read:

455 **70D-4-501 . Relation to Electronic Signatures in Global and National Commerce**
456 **Act.**

457 This chapter modifies, limits, or supersedes the Electronic Signatures in Global and
458 National Commerce Act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or supersede
459 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of any of the notices described in 15
460 U.S.C. Sec. 7003(b).

461 Section 23. Section **70D-4-601** is enacted to read:

462 **70D-4-601 . Transitional Provision.**

463 This chapter applies to a mortgage modification made on or after May 7, 2025,
464 regardless of when the mortgage or the obligation was created.

465 Section 24. **Effective Date.**

466 This bill takes effect on May 7, 2025.