

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

§ 4627. Power of Sale; Conveyance by Trustee; Proceeds; Deficiency.

(a) The trustee upon such public sale shall make, without warranty, and execute after due payment is made, a deed to the purchaser or purchasers of the property conveying all the title and interest of the trustee and trustor in the property.

(b) The proceeds of sale shall first be applied to the expenses of sale, together with the reasonable expenses of the trust, including reasonable attorney's fees; then to the interest owed on the debt secured by the deed of trust; then to the unpaid principal balance owed on that debt, including any advances made by the beneficiary; and then to any other lienholders of record in accordance with their lien priority. Any balance or surplus of such proceeds of sale shall then be applied to any other interest and principal indebtedness owned to the beneficiary by the trustor. Any remaining balance of the proceeds of sale shall be paid to the trustor, his heirs, executors, administrators or assigns.

(c) If there are insufficient proceeds from the sale to satisfy all amounts due to the beneficiary under the deed of trust instruments, then the trustee shall make up such deficiency of insufficient amounts to the beneficiary. In that event, the beneficiary shall assign all of its rights and interest in the deed of trust to the trustee. The trustor shall be liable for all such deficient amounts, which includes the expenses of sale, the expenses of the trust, reasonable attorney's fees, and the interest and principal due. The trustee may bring an action against the trustor for the recovery of such deficient amounts. Nothing herein shall prevent the trustee from purchasing the property at the foreclosure sale as provided in this chapter.

Source: DL 5-42, §§ 14, 15, 16; amended by DL 5-60, § 1.