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**SENATE BILL 731**

**46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003**

**INTRODUCED BY**

Phil A. Griego

**AN ACT**

RELATING TO REAL PROPERTY; PROVIDING THAT CERTAIN ENCUMBRANCES GIVEN FOR THE PURCHASE PRICE HAVE PRIORITY OVER ALL OTHER LIENS CREATED AGAINST THE PURCHASER.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

Section 1. MORTGAGES AND DEEDS OF TRUST--PRIORITY OVER OTHER LIENS.--

A. A mortgage, deed of trust or other encumbrance given for any portion of the purchase price of an interest in real property, at the time of its conveyance, has priority over all other liens created against the purchaser.

B. To the extent a mortgage, deed of trust or other encumbrance given for any portion of the purchase price of an interest in real property, at the time of its conveyance, is paid in full with funds from a new mortgage, deed of trust or other encumbrance, the new lender shall be subrogated to the position of the original mortgage, deed of trust or other

underscored material = new  
[bracketed material] = delete

1 encumbrance and shall have priority over all other liens  
2 created against the purchaser.

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