

foreclosure commissioner shall cause its duly authorized employee to attend the foreclosure sale to act on its behalf. Written one-price sealed bids shall be accepted by the foreclosure commissioner from the Secretary and other persons for entry by announcement by the commissioner at the sale. The Secretary and any other person may bid at the foreclosure sale, including the Secretary or any other person who has submitted a written one-price bid, except that the foreclosure commissioner or any relative, related business entity or employee of such commissioner or entity shall not be permitted to bid in any manner on the security property subject to foreclosure sale. The foreclosure commissioner may serve as auctioneer, or, in accordance with regulations of the Secretary, may employ an auctioneer to be paid from the commission provided for in section 3711(5) of this title.

**(c) Adjournment or cancellation**

The foreclosure commissioner shall have discretion, prior to or at the time of sale, to adjourn or cancel the foreclosure sale if the commissioner determines, in the commissioner's sole discretion, that circumstances are not conducive to a sale which is fair to the mortgagor and the Secretary or that additional time is necessary to determine whether the security property should be withdrawn from foreclosure as provided in section 3709 of this title. The foreclosure commissioner may adjourn a sale to a later hour the same day without the giving of further notice, or may adjourn the foreclosure sale for not less than nine nor more than twenty-four days, in which case the commissioner shall serve a notice of default and foreclosure sale revised to recite that the foreclosure sale has been adjourned to a specified date and to include any corrections the foreclosure commissioner deems appropriate. Such notice shall be served by publication, mailing and posting in accordance with section 3708 of this title, except that publication may be made on any of three separate days prior to the revised date of foreclosure sale, and mailing may be made at any time at least seven days prior to the date to which the foreclosure sale has been adjourned.

(Pub. L. 97-35, title III, §369B, Aug. 13, 1981, 95 Stat. 428.)

**§ 3711. Foreclosure costs**

The following foreclosure costs shall be paid from the sale proceeds prior to satisfaction of any other claim to such sale proceeds:

- (1) necessary advertising costs and postage incurred in giving notice pursuant to sections 3708 and 3710 of this title;
- (2) mileage for posting notices and for the foreclosure commissioner's attendance at the sale at the rate provided in section 1921 of title 28 for mileage by the most reasonable road distance;
- (3) reasonable and necessary costs actually incurred in connection with any necessary search of title and lien records;
- (4) necessary out-of-pocket costs incurred by the foreclosure commissioner to record documents; and
- (5) a commission for the foreclosure commissioner for the conduct of the foreclosure to the

extent authorized by regulations issued by the Secretary.

(Pub. L. 97-35, title III, §369C, Aug. 13, 1981, 95 Stat. 429.)

**§ 3712. Disposition of sale proceeds**

Money realized from a foreclosure sale shall be made available for obligation and expenditure—

- (1) first to cover the costs of foreclosure provided for in section 3711 of this title;
- (2) then to pay valid tax liens or assessments prior to the mortgage;
- (3) then to pay any liens recorded prior to the recording of the mortgage which are required to be paid in conformity with the terms of sale in the notice of default and foreclosure sale;
- (4) then to service charges and advancements for taxes, assessments, and property insurance premiums;
- (5) then to the interest;
- (6) then to the principal balance secured by the mortgage (including expenditures for the necessary protection, preservation, and repair of the security property as authorized under the mortgage agreement and interest thereon if provided for in the mortgage agreement); and
- (7) then to late charges.

Any surplus after payment of the foregoing shall be paid to holders of liens recorded after the mortgage and then to the appropriate mortgagor. If the person to whom such surplus is to be paid cannot be located, or if the surplus available is insufficient to pay all claimants and the claimants cannot agree on the allocation of the surplus, or if any person claiming an interest in the mortgage proceeds does not agree that some or all of the sale proceeds should be paid to a claimant as provided in this section, that part of the sale proceeds in question may be deposited by the foreclosure commissioner with an appropriate official or court authorized under law to receive disputed funds in such circumstances. If such a procedure for the deposit of disputed funds is not available, and the foreclosure commissioner files a bill of interpleader or is sued as a stakeholder to determine entitlement to such funds, the foreclosure commissioner's necessary costs in taking or defending such action shall be deductible from the disputed funds.

(Pub. L. 97-35, title III, §369D, Aug. 13, 1981, 95 Stat. 429.)

**§ 3713. Transfer of title and possession**

**(a) Payment and delivery of deeds**

The foreclosure commissioner shall deliver a deed or deeds to the purchaser or purchasers and obtain the balance of the purchase price in accordance with the terms of sale provided in the notice of default and foreclosure sale.

**(b) Quit claim deed**

Subject to subsection (c), the foreclosure deed or deeds shall convey all of the right, title, and interest in the security property covered by the deed which the Secretary as holder, the foreclosure commissioner, the mortgagor, and any other persons claiming by, through, or under

them, had on the date of execution of the mortgage, together with all of the right, title, and interest thereafter acquired by any of them in such property up to the hour of sale, and no judicial proceeding shall be required ancillary or supplementary to the procedures provided in this chapter to assure the validity of the conveyance or confirmation of such conveyance.

**(c) Possession by purchaser; continuing interests**

A purchaser at a foreclosure sale held pursuant to this chapter shall be entitled to possession upon passage of title to the mortgaged property, subject to an interest or interests senior to that of the mortgage and subject to the terms of any lease of a residential tenant for the remaining term of the lease or for one year, whichever period is shorter. Any other person remaining in possession after the sale and any residential tenant remaining in possession after the applicable period shall be deemed a tenant at sufferance.

**(d) Right of redemption; right of possession**

There shall be no right of redemption, or right of possession based upon right of redemption, in the mortgagor or others subsequent to a foreclosure pursuant to this chapter.

**(e) Imposition of tax on conveyance to the Secretary**

When conveyance is made to the Secretary, no tax shall be imposed or collected with respect to the foreclosure commissioner's deed, whether as a tax upon the instrument or upon the privilege of conveying or transferring title to the property. Failure to collect or pay a tax of the type and under the circumstances stated in the preceding sentence shall not be grounds for refusing to record such a deed, for failing to recognize such recordation as imparting notice or for denying the enforcement of such a deed and its provisions in any State or Federal court.

(Pub. L. 97-35, title III, §369E, Aug. 13, 1981, 95 Stat. 430.)

**§ 3714. Record of foreclosure and sale**

(a) To establish a sufficient record of foreclosure and sale, the foreclosure commissioner shall include in the recitals of the deed to the purchaser or prepare an affidavit or addendum to the deed stating—

- (1) that the mortgage was held by the Secretary;
- (2) the particulars of the foreclosure commissioner's service of notice of default and foreclosure sale in accordance with sections 3708 and 3710 of this title;
- (3) that the foreclosure was conducted in accordance with the provisions of this chapter and with the terms of the notice of default and foreclosure sale;
- (4) a correct statement of the costs of foreclosure, calculated in accordance with section 3711 of this title; and
- (5) the name of the successful bidder and the amount of the successful bid.

(b) The deed executed by the foreclosure commissioner, the foreclosure commissioner's affidavit and any other instruments submitted for recordation in relation to the foreclosure of the

security property under this chapter shall be accepted for recordation by the registrar of deeds or other appropriate official of the county or counties in which the security property is located upon tendering of payment of the usual recording fees for such instruments.

(Pub. L. 97-35, title III, §369F, Aug. 13, 1981, 95 Stat. 430.)

**§ 3715. Computation of time**

Periods of time provided for in this chapter shall be calculated in consecutive calendar days including the day or days on which the actions or events occur or are to occur for which the period of time is provided and including the day on which an event occurs or is to occur from which the period is to be calculated.

(Pub. L. 97-35, title III, §369G, Aug. 13, 1981, 95 Stat. 431.)

**§ 3716. Separability**

If any clause, sentence, paragraph or part of this chapter shall, for any reason, be adjudged by a court of competent jurisdiction to be invalid or invalid as applied to a class of cases, such judgment shall not affect, impair, or invalidate the remainder thereof and of this chapter, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

(Pub. L. 97-35, title III, §369H, Aug. 13, 1981, 95 Stat. 431.)

**§ 3717. Regulations**

The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this chapter.

(Pub. L. 97-35, title III, §369I, Aug. 13, 1981, 95 Stat. 431.)

**CHAPTER 38A—SINGLE FAMILY MORTGAGE FORECLOSURE**

Sec.	
3751.	Findings and purpose.
3752.	Definitions.
3753.	Applicability.
3754.	Designation of foreclosure commissioner.
3755.	Prerequisites to foreclosure.
3756.	Commencement of foreclosure.
3757.	Notice of default and foreclosure sale.
3758.	Service of notice of foreclosure sale.
3759.	Presale reinstatement.
3760.	Conduct of sale; adjournment.
3761.	Foreclosure costs.
3762.	Disposition of sale proceeds.
3763.	Transfer of title and possession.
3764.	Record of foreclosure and sale.
3765.	Effect of sale.
3766.	Computation of time.
3767.	Severability.
3768.	Deficiency judgment.

**§ 3751. Findings and purpose**

**(a) Findings**

The Congress finds that—

- (1) the disparate State laws under which mortgages are foreclosed on behalf of the Secretary covering 1- to 4-family residential properties—