

Butter, milk
substitutes—
Use in state
institutions
prohibited—
Exception.

vegetable or other oil has been substituted therefor shall be used in any of the educational, charitable hospital, medical, reformatory or penal institutions maintained by the state or which receives from the state any money, appropriation or financial assistance whatsoever: *Provided*, That such institution may use margarine when supplied for distribution by agencies of the United States government.

Emergency.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 11, 1965.

Passed the Senate March 10, 1965.

Approved by the Governor March 20, 1965.

CHAPTER 74.

[House Bill No. 479.]

DEEDS OF TRUST.

AN ACT relating to real property and authorizing the use of deeds of trust in security transactions and providing for the foreclosure thereof.

Be it enacted by the Legislature of the State of Washington:

Deeds of trust.
"Record", "re-
corded", "re-
fined"—Trustee,
who may be—
Successor
trustee.

SECTION 1. (1) The terms "record" and "recorded" as used in this act, shall include the appropriate registration proceedings, in the instance of registered land.

(2) The trustee of a deed of trust under this act shall be:

(a) Any corporation or association authorized to engage in a trust business in this state; or

(b) Any title insurance company authorized to insure title to real property under the laws of this state; or

(c) Any attorney who is an active member of the Washington state bar association at the time he is named trustee.

(3) In the event of the death, incapacity or disability, or resignation of the trustee, the beneficiary may nominate in writing a successor trustee. Upon recording in the mortgage records of the county or counties in which the trust deed is recorded, of the appointment of a successor trustee, the successor trustee shall be vested with all powers of the original trustee.

SEC. 2. A deed conveying real property to a trustee in trust to secure the performance of an obligation of the grantor or another to the beneficiary may be foreclosed as in this act provided. The county auditor shall record such deed as a mortgage and shall index the name of the grantor as mortgagor and the names of the trustee and beneficiary as mortgagee. No person, corporation or association may be both trustee and beneficiary under the same deed of trust nor may the trustee be an employee, agent or subsidiary of a beneficiary of the same deed of trust.

Deeds treated as mortgages — Trustee may not be beneficiary.

SEC. 3. It shall be requisite, to foreclosure under this act:

Requisites to foreclosure.

(1) That the deed of trust contains a power of sale;

(2) That the deed of trust provides in its terms that the real property conveyed is not used principally for agricultural or farming purposes;

(3) That a default has occurred in the obligation secured or a covenant of the grantor, which by the terms of the deed of trust makes operative the power to sell;

(4) That no action is pending on an obligation secured by the deed of trust; and

(5) That the deed of trust has been recorded in

each county in which the land or some part thereof is situated.

Deeds of trust.
Foreclosure,
procedure.

SEC. 4. A deed of trust may be foreclosed in the following manner:

(1) At least one hundred and eighty days before sale, notice thereof shall be recorded by the trustee in the office of the auditor in each county in which the deed of trust is recorded. At least one hundred twenty days prior to sale copies of the notice shall be transmitted by first class and by certified or registered mail to each person who has an interest in or lien or claim of lien against the property or some part thereof, provided such interest, lien or claim is of record at the time the notice is recorded, and provided the address of such person is stated in the recorded instrument evidencing his interest, lien or claim or is otherwise known to the trustee. The copy of the notice shall be transmitted to the address to which such person shall have in writing requested the trustee to transmit the notice and if there has been no such request, to the address appearing in the recorded instrument evidencing his interest, lien or claim, and if there be neither such request nor record address, to the address otherwise known to the trustee. In addition, at least one hundred twenty days prior to sale, a copy of the notice shall be posted in a conspicuous place on said premises; or in lieu of posting, a copy of the notice may be served upon any occupant of said real property in the manner in which a summons is served, said service to be at least one hundred twenty days prior to sale.

(2) The notice aforesaid shall indicate the names of the grantor, trustee and beneficiary of the deed of trust, the description of the property as contained in the deed of trust, the book and page of the book of record wherein the deed of trust is recorded, the default for which the foreclosure is made, the amount

or amounts in arrears if a default is for failure to make payment, the sum owing on the obligation secured by the deed of trust, and the time and place of sale.

(3) A copy of the notice aforesaid shall be published in a legal newspaper in each county in which the property or any part thereof is situated, once weekly during the four weeks preceding the time of sale.

(4) The trustee shall sell the property in gross or in parcels as it shall determine, at the place and during the hours directed by statute for the conduct of sales of real estate at execution, at auction to the highest bidder.

(5) The purchaser shall forthwith pay the price bid and on payment the trustee shall execute to the purchaser its deed; the deed shall recite the facts showing that the sale was conducted in compliance with all of the requirements of this act and of the deed of trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

(6) The sale as authorized under this act shall not take place less than six months from the date of default in the obligation secured.

(7) No sale as authorized under this act shall take place at any time a court action to foreclose a lien or other encumbrance on all or any part of the secured property is pending.

SEC. 5. The deed of the trustee, executed to the purchaser, shall convey the interest in the property which the grantor had or had the power to convey at the time of the execution by him of the deed of trust, and such as he may have thereafter acquired. After sale, as in this act provided, no person shall

Interest conveyed—No redemption rights.

have any right by statute or otherwise to redeem from the deed of trust or from the sale.

Deeds of trust.
Right of possession, when
—Summary proceedings for.

SEC. 6. The purchaser at the trustee's sale shall be entitled to possession of the property on the twentieth day following the sale, as against the grantor under the deed of trust or anyone claiming through him, and shall have a right to the summary proceedings to obtain possession of real property provided in chapter 59.16 RCW.

Trustee not to bid.

SEC. 7. The trustee may not bid at the trustee's sale. Any other person including the beneficiary under the deed of trust may bid at the trustee's sale.

Application of sale proceeds.

SEC. 8. The trustee shall apply the proceeds of the sale as follows:

(1) To the expense of sale, including a reasonable charge by the trustee and by his attorney: *Provided*, That the aggregate of the charges by the trustee and his attorney, for their services in the sale, shall not exceed the amount which would, by the superior court of the county in which the trustee's sale occurred, have been deemed a reasonable attorney fee, had the trust deed been foreclosed as a mortgage in a noncontested action in the said court;

(2) To the obligation secured by the deed of trust; and

(3) The surplus, if any, shall be distributed to the persons entitled thereto.

Discontinuance of sale provisions, how.

SEC. 9. At any time before, but not after the time for sale indicated in the notice of sale, the grantor or his successor in interest in the trust property or any part thereof, or any beneficiary under a subordinate deed of trust or any person having a subordinate lien or encumbrance of record thereon, shall be entitled to cause a discontinuance of the proceedings by curing the default or defaults set forth in the notice, which in the case of a default by failure to

pay, shall be by paying to the trustee a sum sufficient to cure all defaults other than such portion of principal as would not then be due had no default occurred, plus the costs of the trustee incurred and the trustee's fee accrued, which accrued fee shall not exceed fifty dollars. Upon receipt of such payment the proceedings shall be discontinued, the deed of trust shall be reinstated and the obligation shall remain as though no acceleration had taken place.

SEC. 10. Foreclosure, as in this act provided, shall satisfy the obligation secured by the deed of trust foreclosed, regardless of the sale price or fair value, and no deficiency decree or other judgment shall thereafter be obtained on such obligation. Where foreclosure is not made under this act, the beneficiary shall not be precluded from enforcing the security as a mortgage nor from enforcing the obligation by any means provided by law.

Foreclosure herein as sole satisfaction.

SEC. 11. The trustee shall reconvey all or any part of the property covered by the deed of trust to the person entitled thereto on written request of the grantor and the beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the beneficiary or the person entitled thereto.

Reconveyance by trustee, when.

SEC. 12. This act shall not supersede nor repeal any other provision now made by law for the foreclosure of security interests in real property.

Act supplemental.

SEC. 13. Nothing contained in this act shall prejudice the right of the grantor or his successor in interest to restrain, on any proper ground, a threatened sale by the trustee under a deed of trust.

Act not to prejudice proper restraint of threatened sale.

Passed the House March 11, 1965.

Passed the Senate March 10, 1965.

Approved by the Governor March 20, 1965.