

**ASSEMBLY BILL**

**No. 1240**

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**Introduced by Assembly Member Jones**

February 22, 2013

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An act to amend Section 2920 of the Civil Code, relating to mortgages.

LEGISLATIVE COUNSEL'S DIGEST

AB 1240, as introduced, Jones. Mortgages: deed of trust.

Existing law imposes various requirements prior to exercising a power of sale under a mortgage or deed of trust. Existing law defines “mortgage” for purposes of these provisions to include any security device or instrument, other than a deed of trust, that confers a power of sale affecting real property or an estate for years therein, to be exercised after breach of the obligation secured.

This bill would eliminate the exclusion of a deed of trust from the definition of “mortgage” for purposes of these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2920 of the Civil Code is amended to  
2 read:  
3 2920. (a) A mortgage is a contract by which specific property,  
4 including an estate for years in real property, is hypothecated for  
5 the performance of an act, without the necessity of a change of  
6 possession.

1 (b) For purposes of Sections 2924 to 2924h, inclusive,  
2 “mortgage” also means any security device or instrument, ~~other~~  
3 ~~than a deed of trust~~, that confers a power of sale affecting real  
4 property or an estate for years therein, to be exercised after breach  
5 of the obligation so secured, including a real property sales  
6 contract, as defined in Section 2985, which contains such a  
7 provision.

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