

§ 45-36.24. Expiration of lien of security instrument.

(a) Maturity Date. – For purposes of this section:

(1) If a secured obligation is for the payment of money:

- a. If all remaining sums owing on the secured obligation are due and payable in full on a date specified in the secured obligation, the maturity date of the secured obligation is the date so specified. If no such date is specified in the secured obligation, the maturity date of the secured obligation is the last date a payment on the secured obligation is due and payable under the terms of the secured obligation.
- b. If all remaining sums owing on the secured obligation are due and payable in full on demand or on a date specified in the secured obligation, whichever first occurs, the maturity date of the secured obligation is the date so specified. If all sums owing on the secured obligation are due and payable in full on demand and no alternative date is specified in the secured obligation for payment in full, the maturity date of the secured obligation is the date of the secured obligation.
- c. The maturity date of the secured obligation is "stated" in a security instrument if (i) the maturity date of the secured obligation is specified as a date certain in the security instrument, (ii) the last date a payment on the secured obligation is due and payable under the terms of the secured obligation is specified in the security instrument, or (iii) the maturity date of the secured obligation or the last date a payment on the secured obligation is due and payable under the terms of the secured obligation can be ascertained or determined from information contained in the security instrument, such as, for example, from a payment schedule contained in the security instrument.

(2) If the secured obligation is for the performance of some obligation other than the payment of money:

- a. If the secured obligation is required to be performed by a date specified in the secured obligation, the maturity date of the secured obligation is the date so specified.
- b. If the obligation is to be performed on demand or before a date specified in the secured obligation, whichever first occurs, the maturity date of the secured obligation is the date so specified. If the obligation is to be performed on demand and no alternative date for performance is specified in the secured obligation, the maturity date of the secured obligation is the date of the secured obligation.
- c. The maturity date of the secured obligation is "stated" in a security instrument if (i) the maturity date of the secured obligation is specified as a date certain in the security instrument or (ii) the maturity date of the secured obligation can be ascertained or determined from information contained in the security instrument.

(b) Automatic Lien Expiration. – Except as provided in subsection (g) of this section, unless the lien of a security instrument has been extended in the manner prescribed in subsection (c), (d), or (e) of this section, the security instrument has been foreclosed, or the security instrument has been satisfied of record pursuant to G.S. 45-37, the lien of a security

instrument automatically expires, and the security instrument is conclusively deemed satisfied of record pursuant to G.S. 45-37, at the earliest of the following times:

- (1) If the security instrument was first recorded before October 1, 2011:
 - a. If the maturity date of the secured obligation is stated in the security instrument, 15 years after the maturity date.
 - b. If the maturity date of the secured obligation is not stated in the security instrument, 35 years after the date the security instrument was recorded in the office of the register of deeds.
 - c. Without regard to whether the maturity date of the secured obligation is stated in the security instrument, 15 years from whichever of the following occurs last:
 1. The date when the conditions of the security instrument were required by its terms to have been performed.
 2. The date of maturity of the last installment of debt or interest secured thereby.
 3. The date an affidavit or separate instrument was recorded pursuant to the provisions of G.S. 45-37(b), if any such affidavit or separate instrument was recorded before October 1, 2011, and before the lien of the security instrument expired.
- (2) If the security instrument was first recorded on or after October 1, 2011:
 - a. If the maturity date of the secured obligation is stated in the security instrument, 15 years after the maturity date.
 - b. If the maturity date of the secured obligation is not stated in the security instrument, 35 years after the date the security instrument was recorded in the office of the register of deeds.

(c) **Methods To Extend a Lien.** – The lien of a recorded security instrument may be extended one or more times by recording (i) a lien maturity extension agreement or (ii) a notice of maturity date. If more than one lien maturity extension agreement or notice of maturity date is recorded, the most recently recorded lien maturity extension agreement or notice of maturity date controls in determining when the lien of a security instrument expires. A lien maturity extension agreement or notice of maturity date is ineffective unless recorded before the lien expires. The lien of the original security instrument may not be extended to a date more than 50 years after the date the security instrument was originally recorded in the office of the register of deeds without the written agreement of the then owner of the property encumbered by the lien of the security instrument.

(d) **Lien Maturity Extension Agreement.** –

- (1) The lien of a recorded security instrument may be extended to a date specified in a lien maturity extension agreement, provided the lien maturity extension agreement is recorded before the lien expires. When a lien maturity extension agreement has been duly recorded, the lien of the security instrument will expire on the date specified in the lien maturity extension agreement.
- (2) A document (including any document that modifies, amends, or restates a security instrument) is a lien maturity extension agreement if it does all of the following:
 - a. Identifies the type of security instrument, the original parties to the security instrument, the recording data for the security instrument, and the office in which the security instrument is recorded.

- b. States the date to which the lien of the security instrument is extended.
 - c. Is signed and acknowledged as required by law for a conveyance of an interest in real property by the secured creditor and the then owner of the property encumbered by the lien of the security instrument.
- (3) No particular phrasing is required for a lien maturity extension agreement. The following form, when properly completed, is sufficient to satisfy the requirements for a lien maturity extension agreement:

"LIEN MATURITY EXTENSION AGREEMENT
(G.S. 45-36.24(d))

_____ is now the secured creditor under the security instrument identified as follows:

Type of Security Instrument: (identify type of security instrument, such as deed of trust or mortgage)

Original Grantor(s): (identify original grantor(s), trustor(s), or mortgagor(s))

Original Secured Party(ies): (identify the original beneficiary(ies), mortgagee(s), or secured party(ies) in the security instrument)

Recording Data: The security instrument is recorded in Book ____ at Page ____ or as document number ____ in the office of the Register of Deeds for _____ County, North Carolina.

_____ is now the owner of the real property encumbered by the lien of the security instrument.

Pursuant to G.S. 45-36.24(d), the lien of the security instrument is extended to and including _____ (specify date).

Date: _____

Signature of Current Owner Signature of Secured Creditor
of Real Property

[Acknowledgments before officer authorized to take acknowledgments]"

(e) Notice of Maturity Date. –

- (1) The lien of a recorded security instrument may be extended by a notice of maturity date, provided the notice of maturity date is recorded before the lien expires.
- (2) When a notice of maturity date signed only by the secured creditor has been duly recorded, the lien of the security instrument will expire at the earliest of the following times: (i) 15 years after the maturity of the secured obligation as stated in the notice of maturity date or (ii) 50 years after the date the security instrument was originally recorded in the office of the register of deeds. A document signed only by the secured creditor is a notice of maturity date if it does all of the following:
 - a. Identifies the type of security instrument, the original parties to the security instrument, the recording data for the security instrument, and the office in which the security instrument is recorded.
 - b. States that the person signing the notice of maturity date is the secured creditor.
 - c. States the maturity date of the secured obligation.
 - d. Is signed and acknowledged as required by law for a conveyance of an interest in real property by the secured creditor.

- (3) When a notice of maturity date signed by the secured creditor and by the then owner of the property encumbered by the lien of the security instrument has been duly recorded, the lien of the security instrument will expire 15 years after the maturity date of the secured obligation as stated in the notice of maturity. A document (including any document that modifies, amends, or restates a security instrument) signed by the secured creditor and by the then owner of the property encumbered by the lien of the security instrument is a notice of maturity date if it:
 - a. Identifies the type of security instrument, the original parties to the security instrument, the recording data for the security instrument, and the office in which the security instrument is recorded.
 - b. States the maturity date of the secured obligation.
 - c. Is signed and acknowledged as required by law for a conveyance of an interest in real property by the secured creditor and the then owner of the property encumbered by the lien of the security instrument.
- (4) No particular phrasing is required for a notice of maturity date. The following form, when properly completed, is sufficient to satisfy the requirements for a notice of maturity date signed only by the secured creditor:

"NOTICE OF MATURITY DATE
(G.S. 45-36.24(e))

The undersigned is now the secured creditor under the security instrument identified as follows:

Type of Security Instrument: (identify type of security instrument, such as deed of trust or mortgage)

Original Grantor(s): (identify original grantor(s), trustor(s), or mortgagor(s))

Original Secured Party(ies): (identify the original beneficiary(ies), mortgagee(s), or secured party(ies) in the security instrument)

Recording Data: The security instrument is recorded in Book ____ at Page ____ or as document number ____ in the office of the Register of Deeds for _____ County, North Carolina.

The maturity date of the secured obligation is _____ (specify date).

Date: _____

Signature(s) of secured creditor

[Acknowledgment before officer authorized to take acknowledgments]"

(f) Exception. – The register of deeds shall accept a lien maturity extension agreement or a notice of maturity date for recording and index the document as a subsequent instrument in accordance with G.S. 161-14.1, unless one of the following applies:

- (1) The document is submitted by a method or in a medium not authorized for registration by the register of deeds under applicable law.
- (2) The required recording fee is not paid.
- (3) The document is not signed and acknowledged as required by law for a conveyance of an interest in real property. The register of deeds shall not be required to verify or make inquiry concerning (i) the truth of the matters stated in the document, (ii) whether the parties to the document are in fact the secured creditor and the then owner of the real property encumbered by the lien of the security instrument, or (iii) the authority of any person executing the document to do so.

(g) Foreclosure Proceedings. – No proceeding may be commenced to foreclose the lien of a security instrument unless the proceeding is commenced prior to the date on which the lien of the security instrument expires. However, if a proceeding to foreclose the lien of a security instrument is commenced before the lien of the security instrument expires, the lien created by the security instrument shall continue until final disposition of the proceeding. This provision shall not be construed as extending the lien or the right to bring or maintain any action for which a shorter period may be provided by law.

(h) No Shortening of Lien Without Secured Creditor's Consent. – Subject to the provisions of G.S. 45-37, the duration of the lien of a security instrument may not be shortened without the consent of the secured creditor.

(i) No Release or Satisfaction Necessary. – No release, satisfaction, or other instrument is necessary to discharge the lien of a security instrument that has expired; however, nothing in this section shall be construed as affecting or preventing the execution and recordation of any such release, satisfaction, or other document.

(j) Trustee in a Deed of Trust. – For purposes of this section, the trustee or substitute trustee in a deed of trust (i) shall not be considered the owner of the property encumbered by the lien of the deed of trust and (ii) shall not be a necessary party to a lien maturity extension agreement or notice of maturity date.

(k) Applicability. – This section applies to all security instruments, whether recorded before, on, or after October 1, 2011, except the following:

- (1) Any security instrument securing the payment of money or securing the performance of any other obligation or obligations conclusively presumed to have been fully paid and performed pursuant to the provisions of G.S. 45-37(b) prior to October 1, 2011.
- (2) Any security instrument made or given by any railroad company, or any agreement of conditional sale, equipment trust agreement, lease, chattel mortgage, or other instrument relating to the sale, purchase, or lease of railroad equipment or rolling stock, or of other personal property. (2011-312, s. 11; 2013-204, s. 2.8.)