

507.03 PURCHASE-MONEY MORTGAGE; NONJOINDER OF SPOUSE.

When a married individual purchases real property during marriage and mortgages the real property to secure the payment of the purchase price or any portion of it, the other spouse shall not be entitled to any inchoate, contingent, or marital property right or interest in the real property as against the mortgagee or those claiming under the mortgagee even though the other spouse did not join in the mortgage. A statement in the mortgage to the effect that the mortgage is a purchase money mortgage constitutes prima facie evidence of that fact.

If any portion of the money secured by the mortgage is used for the payment of the purchase price of the real property or any portion of it, the entire mortgage debt shall be deemed purchase money within the meaning of this section, except that any money used to pay off the balance owing under a contract for deed under which the purchaser has the right to possession of the property shall not be deemed purchase money under this section.

This section applies to every purchase-money mortgage regardless of when it was granted or created, except that this section does not affect an action or proceeding involving the validity or enforceability of a purchase money mortgage if:

(1) the action or proceeding is pending as of August 1, 2004, or is commenced before August 1, 2005; and

(2) a notice of the pendency of the action or proceeding is recorded or filed before August 1, 2005, in the office of the county recorder or registrar of titles of the county to which the property affected by the action or proceeding is located.

History: (8198) 1909 c 29 s 1; 1909 c 465 s 1; 1986 c 444; 1992 c 463 s 1; 2004 c 234 s 2