

**CHAPTER 167****( HB 523 )**

AN ACT relating to the priority of purchase money deeds of trusts and mortgages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

→Section 1. KRS 382.270 is amended to read as follows:

- (1) *Except as otherwise provided in Section 3 of this Act*, no deed or deed of trust or mortgage conveying a legal or equitable title to real property shall be lodged for record and, thus, valid against a purchaser for a valuable consideration, without notice thereof, or against creditors, until such deed or mortgage is acknowledged or proved according to law. However, if a deed or deed of trust or mortgage conveying a legal or equitable title to real property is not so acknowledged or proved according to law, but is or has been otherwise lodged for record, such deed or deed of trust or mortgage conveying a legal or equitable title to real property or creating a mortgage lien on real property shall be deemed to be validly lodged for record for purposes of KRS Chapter 382, and all interested parties shall be on constructive notice of the contents thereof.
- (2) As used in this section, "creditors" includes all creditors irrespective of whether or not they have acquired a lien by legal or equitable proceedings or by voluntary conveyance.

→Section 2. KRS 382.280 is amended to read as follows:

Except as *otherwise* provided in KRS 382.077 *and Section 3 of this Act*, all bona fide deeds of trust or mortgages shall take effect in the order that they are legally acknowledged or proved and lodged for record.

→SECTION 3. A NEW SECTION OF KRS CHAPTER 382 IS CREATED TO READ AS FOLLOWS:

*A purchase money deed of trust or mortgage granted by a purchaser shall have priority over a prior lien under KRS 426.720 against the purchaser.*

**Signed by Governor April 8, 2022.**