

**DISTRICT OF COLUMBIA**  
**OFFICIAL CODE**

**TITLE 42.**  
**REAL PROPERTY.**

**CHAPTER 23.**  
**CREDIT LINE DEEDS OF TRUST.**

**2001 Edition**

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**CHAPTER 23. CREDIT LINE DEEDS OF TRUST.**

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# CHAPTER 23. CREDIT LINE DEEDS OF TRUST.

## § 42-2301. DEFINITIONS.

For the purposes of this chapter, the term:

(1) "Credit line deed of trust" means any deed of trust in which title to real property located in the District of Columbia is conveyed, transferred, encumbered, or pledged to secure repayment of money that is loaned in the form of periodic advances by the noteholder named in the credit line deed of trust.

(2) "Real property" has the meaning set forth in § 47-802(1).

(3) "Single family residential property" shall have the same meaning as the term has in § 47-803(6).

(Jan. 28, 1988, D.C. Law 7-67, § 2, 34 DCR 7441; Mar. 11, 1992, D.C. Law 9-72, § 2(a), 39 DCR 20.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 45-2901.

#### *Legislative History of Laws*

Law 7-67, the "Real Property Credit Line Deed of Trust Act of 1987," was introduced in Council and assigned Bill No. 7-163, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on October 13, 1987, and October 27, 1987, respectively. Signed by the Mayor on November 5, 1987, it was assigned Act No. 7-100 and transmitted to both Houses of Congress for its review.

Law 9-72, the "District of Columbia Real Property Credit Line Deed of Trust Clarification Amendment Act of 1991," was introduced in Council and assigned Bill No. 9-70, which was referred to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on November 5, 1991, and December 3, 1991, respectively. Signed by the Mayor on December 20, 1991, it was assigned Act No. 9-123 and transmitted to both Houses of Congress for its review.

## § 42-2302. NOTICE REQUIREMENTS.

(a) A credit line deed of trust shall include:

(1) On the front page, either in capital letters or underscored, the words "THIS IS A HOME EQUITY CREDIT LINE DEED OF TRUST. DEFAULT ON PAYMENTS MAY RESULT IN THE LOSS OF YOUR HOME.";

(2) Language to convey notice to all parties that the noteholder, the grantors, and other borrowers identified have an agreement whereby the noteholder may make or contemplates making advances from time to time against the security described in the credit line deed of trust;

(3) The maximum aggregate amount of principal to be secured at any 1 time; and

(4) An explicit statement of the rights and obligations of the borrower and the consequences of default.

(b) Failure to provide the notice required by subsection (a) of this section shall be deemed an unlawful trade practice punishable under Chapter 39 of Title 28.

(c) This section shall apply only to a credit line deed of trust for single family residential property.

(Jan. 28, 1988, D.C. Law 7-67, § 3, 34 DCR 7441; Mar. 11, 1992, D.C. Law 9-72, § 2(b), 39 DCR 20.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Prior Codifications*

1981 Ed., § 45-2902.

*Legislative History of Laws*

For legislative history of D.C. Law 7-67, see Historical and Statutory Notes following § 42-2301.

For legislative history of D.C. Law 9-72, see Historical and Statutory Notes following § 42-2301.

### **§ 42-2303. PRIORITY OF CREDIT LINE DEED OF TRUST.**

(a) From the date of the recording of a credit line deed of trust, the credit line deed of trust shall have priority:

(1) Over all other deeds, conveyances, or other instruments, or contracts in writing, that are unrecorded as of that date and of which the noteholder has no knowledge or notice; and

(2) Over judgment liens subsequently recorded, except that a judgment creditor who gives notice of the judgment to the noteholder of record at the address listed in the credit line deed of trust shall have priority over the credit line deed of trust in the case of advances that are made after the date of the noteholder's receipt of the notice and that were not irrevocably committed prior to this date.

(b) Mechanic's liens established pursuant to § 40-301.01, shall have priority over all advances made under a credit line deed of trust subsequent to the filing of a notice of mechanic's lien, but shall not have priority over advances made prior to the filing of a notice of mechanic's lien.

(c) Except as provided in subsections (a)(2) and (b) of this section, the priority of a credit line deed of trust shall extend to all advances made following the recordation of the credit line deed of trust. Amounts outstanding, together with interest, shall continue to have priority until paid or otherwise settled.

(d) Nothing in this chapter shall apply to the priority of purchase money security interests in goods and fixtures.

(Jan. 28, 1988, D.C. Law 7-67, § 4, 34 DCR 7441.)

*HISTORICAL AND STATUTORY NOTES*

*Prior Codifications*

1981 Ed., § 45-2903.

*Legislative History of Laws*

For legislative history of D.C. Law 7-67, see Historical and Statutory Notes following § 42-2301.