

UNOFFICIAL TRANSLATION

“The Immovable Property (Transfer and Mortgage) Law”

[AMENDMENT including Article 32A]

Mortgage Split	32A – (1) The mortgage creditor of any immovable property may, unless the mortgage contract includes a counter-clause, split, in accordance with the provisions of this article, the mortgage established in his/her favour, which for the purposes of this article will be referred to as the “original mortgage”, in two or more mortgages, which for the purposes of this article will be referred to as the “split mortgages”:
	Provided that, before the mortgage creditor proceed to split the mortgage, in accordance to the provisions of this article, he/she shall inform the mortgage debtor for his/her intention:
	Provided further that the notification from the mortgage creditor to the mortgage debtor is done through sending a notice by regular mail or fax or e-mail.
	(2) The written declaration submitted to the District Land Registry Office from the mortgage debtor includes the following:
	(a) The details of the original mortgage;
	(b) the number of the split mortgages, that will result from the split of the original mortgage;
	(c) the amount to be secured by each of the split mortgages:
	Provided that the total amount to be secured from all the split mortgages may not exceed, in any case, the amount secured by the original mortgage;
	(d) the order of priority between the split mortgages:
	Provided that the classification of two or more split mortgages in exactly the same order of priority is not allowed.
	(3) The written declaration provided for in paragraph (2) is in the form of type “ΓΑ” as set out in the Second Annex.
	(4) The Director shall register any split of the original mortgage that is declared under the provisions of this article and is accepted by the official who is responsible for that purpose. No obligation should arise to pay any fee or royalty related to such split. The registration of the split is done by the registration of the split mortgages against the registration of the original mortgage and by the registration of a note on the certificate of registration of the property subject to the original mortgage and on the certificate of the original mortgage, as well as on any copies thereof.

	(5) With the registration of the split of the original mortgage, in accordance with paragraph (4), the Director:
	(a) issues to the mortgage creditor a certificate for each of the split mortgages, together with the certificate of registration of the mortgaged property in the name of the mortgage debtor;
	(b) records each of the split mortgages in the contract and the declaration of the original mortgage;
	(c) issues to the mortgage debtor a copy of the certificate of registration of each of the split mortgages.
	(6) The split mortgages, as a group, retain the same order of priority as the original mortgage in relation to any other encumbrance on the property subject to the original mortgage.
	(7) Without prejudice to the provisions of subsection (6), the first mortgage in the order of priority between the split mortgages, as this order will be determined by the mortgage creditor in accordance with subparagraph (d) of paragraph (2), will be the next, in the order of priority, after any encumbrance which, at the time of the registration of the split, preceded the original mortgage and that the last mortgage in the order of priority between the split mortgages, as this order will be determined by the mortgage creditor in accordance with subparagraph (d) of paragraph (2), will precede, in the order of priority, any encumbrance which, at the time of the registration of the split, was the next, in the order of priority, after the original mortgage, at the registration of the split.
	(8) With the exception of the order of priority and the amount to be secured by each of the split mortgages, issues specified in the written declaration that will be registered in accordance with the provisions of paragraph (2), each of the split mortgages is governed by the terms of the original agreement, including any additional terms thereof, which shall remain powerful, shall bind and shall be read mutatis mudantis, in such a way as to bind the parties of the original mortgage in relation to each of the split mortgages.

PART VIA
SALE OF MORTGAGED PROPERTY BY A MORTGAGE CREDITOR.

Application of
Part VIA for
existing and
new mortgage
contracts

44A.- (1) The provisions of this Part shall apply in every case of a contract mortgage, registered at the Land and Surveys department, before or after the date of entry into force of the present Law.

(2) Nothing in Part VI of the present law prevents a mortgage creditor from proceeding with the sale of mortgaged property in accordance with the provisions of the present Part.

(3) Nothing in this Part prevents a mortgage creditor from proceeding with the sale of mortgaged property in accordance with the provisions of Part VI.

Provided that in case the mortgage debt has become payable prior to the enactment of the present Part, the deadlines and the procedures that apply in Part VIA will be assumed to commence at the date of entry into force of this Law:

Provided further that, in case any procedure has begun in accordance with the provisions of this Part prior to the date of entry into force of "The Immovable Property (Transfer and Mortgage) (Amending) Law of 2018", all provisions of the said Law shall apply, irrespective of whether any notices have been serviced in accordance with the provisions of this Part prior to the enactment of the "The Immovable Property (Transfer and Mortgage) (Amending) Law of 2018".

(4) Nothing contained in this Part VIA excludes the right of the mortgage creditor to proceed with a civil claim to obtain a Court Order for the sale of the mortgaged property.

(4A) Notwithstanding any other provision of the present Law, the securing of a Court order for the sale of a mortgaged property or the commencement of the process to sell mortgaged property under that order, either before or after the entry into force of "The Immovable Property (Transfer and Mortgage) (Amending) Law of 2018", shall not affect the right of a mortgage creditor from proceeding with the implementation of the sale process of the mortgaged property in accordance with the provisions of the present Part:

Provided that, in the above-mentioned case, the right of the mortgage debtor or any other interested party to appeal to the District Court according to the provisions of this Part and within the timeframes provided in this Part, shall not be affected.

Default.

44B.-(1) In the event of a default, as defined in Art. 27, as a result of which the whole debt secured by the mortgage is being rendered payable, and in the further event that the default is for a period of not less than one hundred and twenty (120) days from the date on which it has being rendered payable in accordance with the terms of the mortgage agreement or the provisions of this Law, the mortgage creditor may initiate the procedures set out in this Part, unless the process of enforced sale of the mortgaged property by the mortgage creditor is suspended on the basis of the provisions of any other laws, or regulations, or directives.

Second Annex –
Form Type “Θ”

(2) Any notice of default or demand for payment of the whole debt sent by the mortgage creditor to the mortgage debtor or any other interested party, in case the mortgage creditor is an authorised credit institution pursuant to the Business of Credit Institutions Law, it must be accompanied by the notice set out in Form Type “Θ” in the Second Annex to this Part:

Provided that, the service of the notice set out in Form Type “Θ” is sent only once:

Provided further that, there is no obligation of sending notice set out in Form Type “Θ”, if the mortgage creditor has secured a court judgement against the mortgage debtor or there is a filed application for the sale of the mortgaged property in accordance with the provisions of Part VI.

(3) Except as otherwise provided in this Part, nothing in this section precludes the mortgage debtor or any other interested person from challenging the right of the mortgage creditor to proceed with legal remedies to the District Court under other existing laws and regulations questioning the right of the mortgage creditor to proceed and seek remedies provided for in this Part.

Service of notice
for the intended
sale.

Second Annex

44C.-(1) Subject to the provisions of article 44B, the mortgage creditor may initiate the procedures set out in this Part by serving on the mortgage debtor and other interested persons a written notice, in the form of Type “I” as set out in the Second Annex, accompanied with a statement of

Type «I».

account of the outstanding mortgage debt, the interest and all expenses due for the recovery of the debt, calling on him to pay the amount as specified in the statement of account, giving the mortgage debtor a time period of not less than thirty (30) days from the date of service:

Provided that such notice will also inform the debtor that if he fails to repay the due amount specified in the notice, the mortgage creditor may exercise its right to sell the mortgaged property under the provisions of this Part:

Provided further that, after the service of the notice in the Form of Type "I", any competent authority shall provide, upon request by the mortgage creditor, all relevant information, related to the taxes, fees and the charges levied on the mortgaged property, within fifteen (15) days from the date of submission of such a request.

Second Annex
Type «IA».

(2) If the mortgage debtor or any other interested person fails to comply with the notice specified in subsection (1), then the mortgage creditor may serve a second notice on the mortgage debtor and any other interested person, informing that the property will be sold by auction; this notice must be served in the form of Type "IA" as set out in the Second Annex, not less than thirty (30) days in advance of the scheduled date and time of the sale of the property.

(3) The mortgage debtor, and any other interested person may, within thirty (30) days from the date of receipt of the notice, in accordance to subsection (2), file an appeal before the District Court to set aside the notice of intended sale, only by virtue of the following grounds:

- (a) that the notice does not comply with the required form and content, requirements;
- (b) that the notice was not duly served;
- (c) that the time period to make payment given to by the mortgage creditor had not ended at the time this notice was sent;
- (d) that an interlocutory injunction has been issued in favour of the mortgage debtor in accordance to Article 32 of The Courts of Justice Law;

(e) that a protective decree has been issued in favour of the mortgage debtor under the provisions of The Insolvency of Natural Persons (Personal Repayment Schemes and Debt Relief Orders) Law;

(f) the mortgage debtor whose participation is approved to the plan "ESTIA for dealing with non-performing loans and supporting vulnerable social groups" or to any other State aid plan for credit facilities, provided that, he/she accepts and complies with the agreement and his/her credit obligations resulting from that plan."

Valuation of the mortgaged property.

44D. (1) Subject to the provisions of subsection (3) of Article 44C, two (2) valuers shall be selected, one by the mortgage creditor and one by the mortgage debtor, to conduct simultaneous independent valuations for the determination of the market value of the mortgaged property, and to whom, the mortgage debtor and the mortgage creditor serve the same data and information related to the mortgage property, and/or data and information are collected by the competent departments or authorities of the Republic:

Provided that, the mortgage debtor may, instead of appointing a valuator as stated above, request the value of the general valuation that is related to the mortgaged property, as at times defined in the Immovable Property (Tenure, Registration and Valuation) Law, to be the estimated market value of the subject property:

Provided further that, the mortgage debtor and/or any interested person and the mortgage creditor shall cooperate and facilitate the valuator to perform his task:

Provided even further, the two valuers take into account the valuation of the relevant District Land Registry Office in carrying out their independent valuations.

Second Annex Type «IB».

(2) Subject to the provisions of subsection (1), the mortgage creditor serves a notice on the mortgage debtor in the form "Type IB", specified in the Second Annex, which may be served either before, or after, or concurrently with the notice per Form "Type IA", affording the mortgage debtor the opportunity to select one of the valuers within not more than ten (10) days following service of the notice:

Provided that, the mortgage debtor shall inform the mortgage creditor of the identity of the valuator appointed before the expiration of the ten (10) day notice period so that the mortgage creditor shall appoint his valuator:

Provided further that, in case for any reason the mortgage debtor fails to appoint a valuator within the time specified, the mortgage creditor shall proceed with the appointment of two (2) valutors for the determination of the market value of the mortgaged property:

Provided even further that, each party shall pay for the valutors each selects.

(3) The valutors, as specified in subsection (1), shall have a duty to prepare their valuations independently and simultaneously, without consultation with one another, and without disclosing their estimates to one another or to third parties until the formal delivery of their valuations to the mortgage creditor and the mortgage debtor, at the place and time indicated in the notice specified in subsection (2), but in no event no later than thirty (30) days after the selection of the valuator by the mortgage creditor:

Provided that, if either valuator fails to deliver his report within the thirty (30) day time period, then the mortgage creditor within ten (10) days from the date of said delivery, requests from the Cyprus Scientific and Technical Chamber the appointment of an independent valuator, who shall proceed with an independent valuation, within thirty (30) days of his appointment, subject to the provisions of subsection (4), (5) and (6).

(4) In cases where the higher valuation, based on the valuation reports referred to in subsection (3), is less than the lower valuation plus 25% of the lower valuation, then the market value will be the average between the two valuations and such determination shall be final.

(5) In cases where the higher valuation, based on the valuation reports referred to in subsection (3), is equal or more than the lower valuation plus 25% of the lower valuation, the mortgage creditor shall within five (5) days from the delivery of the valuations, request the Cyprus Scientific and Technical Chamber to appoint an independent valuator within ten (10) days, who shall, within not more than thirty (30) days from his appointment, prepare an independent valuation of the mortgaged

property, and furnish simultaneously a true copy thereof to the mortgage creditor, the mortgage debtor and any interested parties.

(6) In case an independent third valuator is appointed, as provided for in subsection (5), the market value of the mortgaged property shall be, taking into account the valuations received according to subsection (3), the average of the two closest values:

Provided that in case the three (3) valuations differ equally among them, then the market value of the mortgaged property shall be the average of the three (3) valuations.

Sale by auction pursuant to the provision of the present Part.

44E.(1) The initial effort for sale by the mortgage creditor shall be only by auction, pursuant to the procedures set out in article 44G and at such auction, there shall be a reserve price not less than eighty percent (80%) of the market value as determined in Article 44D:

Provided that the mortgage creditor may provide information he/she holds, in relation to the mortgaged property, to an interested buyer:

Provided further that the mortgage debtor shall allow the mortgage creditor or to his representatives, access to the mortgaged property, for the purposes of calculating the market value of the said property.

(2) The mortgaged property may not be sold for a price lower than the reserve price.

(3) In the event the initial auction fails to result in a completed sale, then the mortgage creditor may proceed with further sale efforts, pursuant to articles 44G and 44H.

(4) For a three (3) month period following the conclusion of the first auction, a reserve price shall be determined, that is not less than 80% of the market value of the mortgaged property, regardless of the method of its sale. For the next three (3) month period commencing with the conclusion of the abovementioned first three (3) month period, a reserve price shall be applied, that is not less than fifty percent (50%) of the market value of the mortgaged property:

Provided that, the mortgage creditor may terminate the sale process in case he considers that based on the valuation reports performed by virtue

of article 44D of the present Law, a sensible and fair sales price is not secured.

ARTICLE 44F WAS DELETED

Sale of mortgaged property by auction.

44G. (1) The mortgage creditor may choose whether the auction will be conducted physically or electronically and, in case the auction is conducted-

(a) physically, this shall be conducted by an auctioneer selected by the mortgage creditor by access to the official website system maintained by the Ministry of Interior, from a list of accredited auctioneers as determined by Regulations issued for this purpose by the Council of Ministers pursuant to article 45 and which provide for the expenses, the charges and the commission of the auctioneer:

Provided that the auctioneer may not receive any other compensation or remuneration beyond what is specifically provided for in the said Regulations;

(b) electronically, this shall be conducted by the mortgage creditor through electronic auction systems and through a website under the provisions of the present Part:

Provided that the Minister of Finance may issue a Decree which regulates any details related to the operation of the electronic auction systems and of the website.

(2) The notice for the auction, the form and the details of which are determined in Regulations issued pursuant to article 45-

(a) shall be served on the mortgage debtor and any interested person not less than thirty (30) days prior to the scheduled auction day;

(b) shall be published at least once, not less than thirty (30) days prior to the scheduled auction day, in each of the following:

(i) At the place of the relevant venue for the auction,

(ii) On the website of the Ministry of Interior, provided for the

purpose of publishing such announcements, to be continuously available until the time of auction,

(iii) On a website maintained by and/or linked to the website of the mortgage creditor, to be continuously available until the time of auction,

(iv) in two (2) daily Cyprus newspapers with national circulation,

(v) In any other manner, the mortgage creditor deems appropriate.

(3) The process for conducting an auction and the appropriate auction location shall be determined by Regulations issued for this purpose by the Council of Ministers pursuant to article 45.:

(4) Regulations issued pursuant to this article may, in case of intentional violation of any of their provisions, provide for a penalty of imprisonment not exceeding six (6) months or to a fine not exceeding five thousand euro (€5.000) and/or to both penalties.

Sale of mortgaged property after failure of the initial auction.

Second Annex Type "IΓ".

44H. (1) In the event that no sale of the mortgaged property is concluded, at the initial auction, then the mortgage creditor may proceed to sell the mortgaged property either by way of auction, or through a sale and to that effect, the mortgage creditor serves on the mortgage debtor and other interested parties a notice in the form "Type IΓ", as specified in the Second Annex, within a period not less than twenty (20) days of any such sale, including the proposed method of sale.

(2) In the case that the mortgage creditor elects to conduct a sale of the mortgaged property by way of auction, then the procedure provided for in article 44G is applied, subject to the provisions of subsection (4) of article 44E.

(3) In the event that the mortgage creditor chooses, after the failure of the initial auction, to sell the mortgaged property not by way of auction, he must comply with the following:

- (a) In conducting any sales pursuant to this article, the mortgage creditor shall market the property through advertisement, including at least in one on-line site generally available to buyers, and in at least two (2) daily newspapers of general

circulation in the Republic,

- (b) All offers must be submitted to the mortgage creditor in writing or in electronic form, prior to the deadline set by the notice of sale. All written offers shall be retained by the mortgage creditor for a period of not less than one year following the sale of the mortgaged property,
- (c) the sale shall be made to the highest bidder,
- (d) the highest bidder, is obliged to proceed with an initial payment of not less than twenty percent (20%) of the accepted bid price in immediate funds at the time the bid is accepted,
- (e) the balance of the bid price must be paid within not more than twenty (20) days from the date the bid price is accepted,
- (f) in the event that the balance referred to in paragraph (e) is not paid, the mortgage creditor shall seize the initial payment, and the sale is cancelled,
- (g) the mortgage creditor shall credit the seized initial payment to the sales costs incurred to date and thereafter to the outstanding debt due to the mortgage creditor by the mortgage debtor.

(4) If a successful bidder fails to complete the purchase as provided in subsection (3), then the mortgage creditor may continue to market the mortgaged property for sale in accordance with the provision of this article or of article 44G and subject to the provisions of subsection (4) of article 44E.

(5) in any case and regardless of the method of sale of the mortgaged property, the mortgaged property shall not be sold:

- (a) To a person who holds more than two percent (2%) of the share capital of the authorised credit institution or of the authorised financial institution or is connected with this person or to his agent or to his spouse or to his parent or to any relative up to a third degree or to any to any officer, director, employee of the mortgage creditor;

(b) to any officer, director, agent, employee or a relative up to the fourth degree of the auctioneer;

Procedure for the sale of property in cases of prior or subsequent mortgage

44I.-(1) In cases where the mortgaged property is encumbered with a prior mortgage or any other encumbrance, a written declaration/consent by the holder of the prior mortgage or encumbrance is required, or, as appropriate, a court order authorizing the auction or sale of the mortgaged property without the consent of such holder, on such conditions that the court may determine, is required:

Provided that the declaration/consent so obtained or Court order so issued may apply so as to authorize multiple sale attempts as contemplated under this Part.

(2) In cases where the mortgaged property is encumbered with a subsequent mortgage or any other encumbrance, the mortgage creditor shall notify of each proposed auction or sale to such holders not less than fifteen (15) days prior to the auction date or sale.

Information about the sale and distribution of the proceeds from the auction or sale.

44J.-(1) Where a mortgaged property is sold, the mortgage creditor shall notify the mortgage debtor of:

- (i) the amount obtained either by way of auction or by sale,
- (ii) any costs, charges, taxes or fees incurred in the conduct of the auction, in the event that the sale was conducted by way of auction.

(2) Within not more than thirty (30) days after the mortgaged property is sold, the mortgage creditor shall send, by regular post, a notice of the proposed distribution of the sales proceeds to the mortgage debtor and any other interested person, and to all holders of claims, encumbrances, or rights to payment with respect to the mortgaged property, setting out the proposed distribution of proceeds to such holders:

Provided that the notice shall inform all the above persons that the proposed distribution of the sales proceeds shall be deemed validated

on the thirtieth (30th) day from the date of the notification, which shall be rendered final, and the mortgage creditor shall send the validation to all parties within five (5) days from the date of the validation.

(3) In the event the mortgage debtor, any interested person, or the holder of any right contests the notice of the proposed distribution of the sales proceeds may file an appeal before the District Court:

Provided that, after the elapse of the thirty (30) day deadline referenced in paragraph (2), and provided that no prohibitive Court order has been issued, which continues to be valid, the mortgage creditor shall validate the proposed distribution, which shall become final, and he/she shall send that validation to all parties within five (5) days from the date of the validation.

(4) The mortgage creditor shall distribute the proceeds of sale of the mortgaged property in accordance with the final distribution, under subsection (2),as follows:

- (i) The expenses of the sale and any other amount incurred for the payment of any tax, fee, or duty necessary for the transfer of the property in the name of the buyer of the mortgaged property, including any capital gains tax incurred;
- (ii) if there are any prior encumbrances, the amount due to each holder of such encumbrance, as determined either by the declaration/consent of the holder, or by a Court decision as provided in subsection (1) article 44I;
- (iii) after the distribution of any amounts in subparagraphs (i) and (ii), the amount representing the mortgage debt, plus interest;
- (iv) if there are any subsequent encumbrances, the amount attributable to such encumbrances, in the order of their priority;
- (v) payment of any other right to payment related to the property:

Provided that, any remaining balance, is paid to the debtor.

Option of
mortgage

44K.-(1) In the case where a mortgage creditor does not sell the mortgaged property over a period of six (6) months from the conclusion

creditor to purchase the property.

of the initial auction, then the mortgage creditor has the option to purchase the mortgaged property at the market value based on the last valuation that was made in accordance with the provisions of this Part, or through the initiation of a new process for the valuation of the mortgaged property in accordance with the provisions of article 44D.

(2) Without prejudice to its rights under subparagraph (1), the mortgage creditor may continue his efforts to sell the mortgaged property subject to the provisions of articles 44G and 44H, without a reserve price. .

Transfer of the mortgaged property

44L. After the completion of the sale of the mortgaged property, whether by auction or purchase by the mortgage creditor, the latter, within a period not exceeding thirty (30) days from the date of completion of the sale, submits an application to the appropriate District Land Office for the transfer of the mortgaged property in the name of the buyer and for this purpose the following documents have to be presented together with the application at the appropriate District Land Office:

- (i) A sworn declaration of mortgage creditor and/or the auctioneer, which ensures adherence to the provisions of the present Part, and
- (ii) all necessary documents and certificates referred to in subsection (3) of article 18.

False statements

44N.-(1) Any party who knowingly makes or encourages any false statement in any sworn declaration and produced to the mortgage creditor or the Director as a request or in relation to the sale of the mortgaged property, in accordance with the provisions of the present Part is guilty of an offense and, in case of conviction, be liable to imprisonment not exceeding six (6) months or to a fine not exceeding the sum of five thousand (€ 5.000) euro and/or these two (2) penalties.

(2) The mortgage debtor, who acts or orders or voluntarily allows any action causing substantial damages to, or the destruction of, such real property, unless he sufficiently proves to the Court that he acted in this manner without fraudulent intentions, is guilty of an offense and, in case of conviction, be liable to imprisonment not exceeding six (6) months or to a fine not exceeding the amount of three thousand euro (€3.000) and/or to both penalties.

Interpretative

44O. For the purposes of this Part:

provisions.

“auctioneer” means a natural person appointed by the Director, in accordance with the Regulations issued pursuant to article 45 and for this purpose, to conduct public auctions of immovable property;

“interested person” means any other person entitled to any right to any part of the proceeds of the sale as this is evident from the register of the property at the Land Registry and any guarantors with respect to the mortgage debt.

“mortgage debtor” means the owner of the immovable property which constitutes a mortgage on the said immovable property and includes the owner of the debt which is secured by mortgage and in case these two persons are different, every notice is served to those two persons:

Provided that, the appointment of a valuator is done by the owner of the mortgaged property and the balance of the proceeds of sale of the property is given only to the owner of the mortgaged property”

“valuator” means the licenced valuator who is registered as a member in the Register of the Cyprus Scientific and Technical Chamber, in accordance to the provisions of the Cyprus Scientific and Technical Chamber Law as this law is at times amended or replaced;

“family members of the owner of the primary residence” shall mean his/her spouse, direct descendants who are under the age of eighteen (18) or they are dependents of the mortgage debtor, irrespective of age, as well as the dependents of his/her spouse and/or the direct ascendants dependents, as well as those of the spouse of the mortgage debtor.

“primary residence” means the residence used for the stay of the owner and/or his/her family members, for a period of over six (6) months per year, the appraised value of which does not exceed three hundred and fifty thousand euros (€350,000).

“service” means in any case the delivery of any notice or communication through registered mail, which is addressed to the last known address of the residence or of the registered office of the person to whom the notice or communication is addressed, or to the corresponding address recorded in the register of the Department of Lands and Surveys, and in case this is

not possible, through private service of such notice or communication to such person:

Provided that the private service may be performed in any manner provided in the Civil Procedure Rules, including the possibility to substitute a service with a Court order, following a general request.

Provided further that the service outside a jurisdiction may be done in any manner provided in a Regulation, international convention, law, secondary legislation, or a procedural regulation that applies in the Republic:

Provided even further that, in case the person to whom the notice or the communication is addressed, is a person that has a right on the proceeds of sale, due to the registration of an encumbrance in the Land Registry to his benefit, the said notice is sent to the address registered at the respective District Land Registry related to that person, and which the mortgage creditor or the holder of an encumbrance has the right to request and receive from the said Land Registry.

Preferred Status
of the mortgage
debtor.

44P. (1) Notwithstanding the provisions of the present law or any other laws in force or Regulations issued by virtue of those laws, in case of implementation of a procedure for the sale of a mortgaged property or of mortgaged property sold either separately or as a whole by a mortgage creditor through an auction, in accordance with the provisions of article 44G of the present Part, which constitutes a primary residence, and irrespective whether the intended sale is included in the first auction, or in the auction that may follow the first auction, in accordance with the provisions of paragraph (1) of article 44H, and provided that the mortgage debtor does not receive State subsidy as a contribution to partially cover his debts, the mortgage debtor shall have a preferred status against the last bidder who has submitted the highest bid.

(2) Subject to the provisions of paragraph (1), the auctioneer, after receiving the last verbal bid from a bidder in relation to the mortgaged property being sold, and before declaring him as the last bidder, he shall first address the mortgage debtor or his proxy, who must be present in the process of the sale through the auction for the purposes of exercising the rights provided to him by the provisions of the Immovable Property Transfer and Mortgage Law (Amendment) (No. 7) Law of 2015, and ask whether the mortgage debtor or his proxy, wish and is in a position to pay

the price of the last submitted verbal bid in a lump sum and/or in cash so that the mortgage debtor can replace the last bidder.

(3) Where the mortgage debtor, or his proxy, states to the auctioneer that he is in a position to pay the price, in accordance with the above, the auction shall be concluded for the benefit of the mortgage debtor, and the last bidder is released:

Provided that, where the mortgage debtor or his proxy, states to the auctioneer that he is not in a position to pay the price of the last submitted bid, the auctioneer shall declare the person that submitted the last bid during the auction procedure as the last bidder, and he shall conclude the sale in his name.

(4) A relative of the mortgage debtor up to the first degree, who is present in the process of auctioning a mortgaged property, shall have the same rights as the mortgage debtor, and shall have the same treatment by the auctioneer as the mortgage debtor, provided that the mortgage debtor is absent or is unable to pay the price:

Provided that, if in the process of auctioning a mortgaged property there are more than one first degree relatives of the mortgage debtor, who show interest in paying the price of the last submitted verbal bid, the auctioneer shall declare the first degree relative who can pay the comparatively highest price compared to the bid submitted by the last bidder and shall conclude the act in his name.

(5) Where the auction procedure provided in paragraph (2) is concluded in favour of the mortgage debtor, but there still remains a balance of debt owed, all mortgages and encumbrances shall remain recorded as they are in the registers of The Department of Lands and Surveys:

Provided that the mortgage debtor or a person for the benefit of which the encumbrances are registered, may not exercise the rights arising from the provisions of Part VI and of Part VIA, or of any other Law for the sale of property, before the elapse of two (2) years from the date when the mortgaged property was awarded to the mortgage debtor.

(6) Non-compliance with the provided requirements for the conduct of a

sale through an auction in accordance with the provisions of the present article, shall result in its invalidation.

(7) For the purposes of the present article:

“mortgage debtor” shall also include his relatives up to the first degree, as well as his legal successors, who, in relation to the mortgaged property being sold, have a legal right on it.

“legal proxy” shall mean the person authorized in writing by the mortgage debtor to act, in accordance to the provisions of the present article, for his benefit.

PART VIB PROTECTION OF BUYERS

Suspension of sale of mortgaged property. 44Q. Notwithstanding the provisions of the present law and any other laws or regulations issued by virtue of those laws, in case a mortgage property or part of the property has been sold and the relevant sales contract has been registered to the Land and Surveys Department according the Sales of Immovable Property (Specific Performance) Law, the sale of the said immovable property, by virtue of any part of the present Law, for the satisfaction of the encumbrance registered on the property securing the credit facilities of the seller, is suspended until the 4th September 2015, provided that the buyer has paid at least 80% of the purchase price or has fully complied with the relevant contractual obligations under the sales contract, towards the seller:

Provided that the mortgage creditor is obliged to inform the buyer on the provisions of the present article, so that the debtor shall provide the necessary evidence for the payment of the aforementioned price.

Protection of the mortgage debtor in case of sale of his loan. 44R. If a law permits the mortgage creditor, which is an authorised credit institution by virtue of the Business of Credit Institutions Law, to sell a loan or a group of loans to another credit institution or to any third party, the mortgage debtor shall reserve his rights, by virtue of the aforementioned law against the buyer of the loan, and the buyer of the loan his obligations against the debtor, as derived by the present Law or any other law and by the agreement between the authorised credit institution and the mortgage debtor and specifically the mortgage debtor shall reserve his right to

restructuring of his credit facility and apply for mediation process, provided for mutatis mutandis, by the Business of Credit Institutions Law and the Establishment and Operation of a Single Body for the Out of Court Settlement of Financial Disputes Law, respectively.

“TYPE “O”
[Article 44B(2)]

IMMOVABLE PROPERTY (TRANSFER AND MORTGAGE) LAWS OF 1965 TO 2014

WARNING BY A CREDIT INSTITUTION WHICH IS A MORTGAGE CREDITOR TO A MORTGAGE DEBTOR

1. You are informed that in case you are faced with real difficulty in paying your instalments, you may come to the mortgage creditor and submit all necessary information, especially those related with your financial situation. You are further informed that in such case you may have the right to restructure this indebtedness pursuant to the Code of Conduct on the Handling of Borrowers in Financial Difficulties of the Central Bank of Cyprus. Additionally you are informed that pursuant to the above mentioned Code, if 90 days pass from the day of your default during which the debtor:

- (i) has not fulfilled his contractual payments and has not proceeded with any restructuring as provided in the Code of Conduct or;
- (ii) failed to respond to the revised contractual timetable for payment as provided in the restructuring solution which may have been agreed based on the Code of Conduct, and;
- (iii) does not communicate or respond to communications and notices of the credit institution to prepare a restructuring plan,

then the debtor is characterised as “non-cooperative” and loses his rights provided for in the Code of Conduct.

The Code of Conduct, in which all the rights and obligations of borrowers are mentioned in detail, is available on the web side of the Central Bank of Cyprus, as well as in copies in all the branches of the credit institution.

2. You are advised that you should promptly contact the mortgage creditor to determine if you qualify for such restructuring. There is a moratorium on legal proceedings during the course of restructuring until such proceedings are concluded.

3. Please be aware that there is no guaranty that restructuring efforts will result in a restructuring of your debt. Restructuring may fail if no restructuring is feasible, or if you fail to furnish information as requested.

4. Furthermore you are warned that if a common solution is not found for your indebtedness the proceedings for the sale of your mortgaged property can be initiated

5. If you have good cause to believe that you do not owe the creditor, or if you have good cause to believe that the creditor has not acted in accordance with the law, you have the right to challenge by an action in the District Court the right of the creditor to proceed with enforcing this indebtedness. Any such action must be commenced before a notice of sale is served on you pursuant to Article 44C(2) of the Immovable Property (Transfer and Mortgage) (Amending) Law of 2014.

Note: This warning must be set out in bold text, not less than 11 point in font size, on the first page of each and every notice of default and demand for payment by a mortgage creditor to a mortgage debtor or guarantor of such debt, as provided in Article 44B(2) of Part VIA, to which this Form is appended.

“Type “1”
(Article 44C (1))

—
Immovable Property (Transfer and Mortgage) Act 1965 to 2014
—

Notice to mortgage debtor

To:.....

From:

Please be advised that the amount of is due as from(details of which are contained in the attached list of account), plus interest on with percentage of..... It is in accordance with the declaration of a mortgage contract No Y..... and date...plus..... costs up to now including the costs of this notice

You are requested to this end, as within 30 days from the date of this Notice, pay the above amount and the interest due and all costs already incurred for the collection of the amount due, and you are informed that if you do not pay the above amount fully, together with further interest which will be due up to the day of payment, then I will proceed, with the auction procedure provided for in Part VIA of this Law and to the forced sale of the mortgaged property and finally to the transfer of the property to the purchaser.

Payment of the amount to be made at

.....

(Give the exact address for payment of the amounts due)

If you have a different opinion, please inform me for this in writing within 30 days from the confirmed date of dispatch of this notice, at.....

(Give full address)

(Signature):

(Full name):

(Mortgage Creditor)

Full address:

Type "IA"
(Article 44C (2))

Immovable Property (Transfer and Mortgage) Act 1965 to 2014

Notice to all interested persons

To:.....

From:

You are hereby notified that the mortgage debt that is being secured by the mortgage No Y....., of the District Land for my benefit, has become payable as from..... so I intend to proceed to a sale, by the auction process at(place) at.....(time) as provided in Chapter VIA of this Act of the property described in the following table, owned by..... from....., which are also charged by your mortgage/ your prohibition with numbers..... of the District Land Office....., in accordance with the terms of the above mortgage contract and in accordance with the provisions of the law and of the relevant Regulations. The amount which is due under the above mortgage amounts to EUR, plus interest, EUR plus costs of EUR

TABLE

N/a	Municipality Parish Community	Registration number	Surveying Reference		Type of property as described in the Title Deed	Share of the property that will be sold * *
			Sheet/ Plan Section	Item		

* Delete as appropriate.

** the reference to be made on the basis of the share of the property.

(signature):

(Full name):

(Mortgage Creditor) Full address:..... ”.

Type "IB"

(Article 44D (2))

Immovable Property (Transfer and Mortgage) Act 1965 to 2014

Notice to the mortgaged debtor for appointment of a valuator

To:.....

From:

Sir,

With reference to the above subject, I request that within ten (10) days from the confirmed date of dispatch of this notice, you appoint a valuator for the purpose of determining the market value of the mortgaged property(ies), that are included in the mortgage Y/ and inform me about his details/identity.

The estimate should be delivered to on at its presence.

If you fail to appoint a valuator within the abovementioned deadline, then I will proceed to appoint a new valuator.

(signature):

(Full name):

(Mortgage Creditor)

Full address:..... ”.

Type "II"
(Article 32A)

Immovable Property (Transfer and Mortgage) Act 1965 to 2018

IT CONCERNS THE SPLIT OF MORTGAGES

ΑΚ/20140728/34-Μεταβιβ.Υποθηκείσεως.Ακινήτων/ΣΠΧ