

## **Title 57.**

### **Real and Personal Property.**

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## **CHAPTER 1.**

### **PERSONAL PROPERTY.**

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## **SUBCHAPTER I.**

### ***General Provisions.***

**§ 1. Application of chapter.** — This chapter shall apply to any agreement, regardless of its form, which is intended to give rights in personal property, including houses on land not owned individually or entirely by the party or parties purporting to give an interest in the house, as security for the performance of any obligation. Such agreements include, among others, pledges, conditional sales agreements, chattel mortgages, and leases under which ownership of personal property is to pass upon completion of the terms of the lease. (Code 1966, § 279(a); Code 1970, tit. 57, § 1.)

**§ 2. Definitions.** — (1) “*Debtor*” as used in this chapter shall include any debtor, buyer, lessee, or other person having an equity in the property under an agreement subject to this chapter.

(2) “*Creditor*” as used in this chapter shall include any creditor, seller, lessor, or other person having rights in the property as security under an agreement subject to this chapter. (Code 1966, § 279(b) and (c); Code 1970, tit. 57, § 2.)

**§ 3. Obligations of creditor and debtor in exercise of rights.** — Both the debtor and the creditor have an obligation to exercise their rights in the property in good faith and with regard for the rights of the other. Each must use reasonable care in the custody and preservation of the property while in his possession. (Code 1966, § 279(d); Code 1970, tit. 57, § 3.)

**§ 4. Unauthorized destruction, removal or use of property.** — Prior to completion of performance of all the terms of the agreement to be performed by the debtor, whoever maliciously or with intent to defraud shall injure, destroy or conceal the property, or remove it without the consent of the creditor from the district, if any, where the agreement provides that it is to be used, or shall sell, mortgage, or otherwise dispose of the property under claim of full ownership, shall be guilty of a misdemeanor and upon conviction thereof shall be imprisoned for a period of not more than six months, or fined not more than one hundred dollars, or both. (Code 1966, § 279(e); Code 1970, tit. 57, § 4.)

**§ 5. Procedure if creditor fails to comply with chapter.** — If the creditor fails to comply with this chapter, disposition of the property may be ordered or restrained in a civil action in court on such terms and conditions as the court deems best. If the property has been taken or disposed of by the creditor other than in accordance with this chapter, the debtor may recover his actual damages, if any, and in no event less than one fourth of the sum of all payments which have been made under the agreement, with interest at six percent a year. (Code 1966, § 279(F); Code 1970, tit. 57, § 5.)

**§ 6. Waiver of provisions of chapter.** — No act or agreement of the debtor before or at the time of the making of the agreement, nor any provision or statement by the debtor in such agreement, shall constitute a valid waiver of the provisions of this chapter; except, that the agreement may stipulate that if the debtor is in default for twenty days or more, the creditor may take the property without notice. (Code 1966, § 279(g); Code 1970, tit. 57, § 6.)

**§ 7. Rights of creditor subject to foreclosure only by procedures of chapter.** — The rights of the debtor under an agreement subject to this section may only be foreclosed after default by one of the methods set forth in this chapter. (Code 1966, § 279(h)(1); Code 1970, tit. 57, § 7.)

## SUBCHAPTER II.

### *Nonjudicial Foreclosure.*

**§ 51. Property in possession of debtor.** — If the property is in the possession of the debtor:

(1) If the agreement provides that the creditor may take the property if the debtor is in default for twenty days or more and the debtor is so in default, the creditor may take possession of the property without notice if this can be done without breach of the peace. If the creditor does so, he shall retain the property for twenty days within the district where he took possession of it, during which period the debtor may redeem the property as provided below; thereafter, if the property has not been so redeemed, the creditor may hold the property as his own subject to the provisions of section 53 of this chapter.

(2) If the agreement does not contain the provision for taking without notice referred to in the preceding subsection, the creditor shall, not more than forty nor less than twenty days prior to the taking, cause written notice to be given to the debtor of the property on account of default of the debtor. The notice shall state the default and the period at the end of which the property will be taken. This notice may be given personally to the debtor or by leaving it at his usual place of abode or of business with some person not less than eighteen years of age and of sound mind then residing or employed there, and, if the person with whom the notice is left states he is unable to read it, by also orally explaining the substance of it to him, if practical, in a language understood by him, otherwise in a language generally understood in the locality.

(3) If after such notice the debtor does not perform the obligations in which he has made default before the day set in such notice for taking, the creditor may take possession of the property if this can be done without breach of the peace.

(4) Unless the property can be taken without a breach of the peace either under subsections (1) or (3) of this section, the foreclosure shall proceed thereafter only by a civil action in the court under the judicial foreclosure provisions of this chapter. Nothing herein shall be construed to authorize a violation of the criminal law.

(5) Nothing in this section shall affect the right of a creditor to proceed under sections 51 and 52, of title 8 of this Code simultaneously with action in accordance with this section nor shall anything herein limit the discretion of the trial division of the high court to order a sale authorized by section 52 of title 8 of this Code on such terms or notice, if any, as it deems best. (Code 1966, § 279(h)(1)(A); Code 1970, tit. 57, § 51.)

**§ 52. Property in possession of creditor.** — If the property is in the possession of the creditor:

(1) Not more than forty nor less than twenty days prior to foreclosing on the property, the creditor shall cause written notice to be given to the debtor of the creditor's intention to foreclose. The notice shall state the default and the period at the end of which the property will be foreclosed. This notice may be given in the manner provided in subsection (2), section 51 of this subchapter.

(2) If after such notice the debtor does not perform the obligations in which he has made default before the day set in such notice for foreclosure, the creditor may hold the property as his own subject to the provisions of section 53 of this subchapter. (Code 1966, § 279(h)(1)(B); Code 1970, tit. 57, § 52.)

**§ 53. Procedures.** — (1) If the debtor, at the time of the taking or of the foreclosure under this subchapter, has paid at least one half of the principal due under the agreement, the creditor shall sell the property at public auction in the district where it was at the time of the taking or foreclosure, such sale to be held not more than ninety days after the taking or foreclosure. The creditor shall give to the debtor not less than ten days written notice of the sale in the manner provided in subsection (2), section 51 of this subchapter, which notice shall not be given until the expiration of the twenty days retention period provided for in subsection (1), section 51 of this subchapter if the taking was made under such subsection. The creditor shall also give notice of the sale by posting in at least three conspicuous places within the district where the property is to be sold at least five days before the sale and shall make an honest attempt to obtain a fair value at the sale and, provided he does this, may himself bid for the property at the sale.

(2) The proceeds of the sale shall be applied:

(a) To the payment of the reasonable expenses thereof,

(b) To the payment of the reasonable expenses of taking, keeping and storing the property,

(c) To the satisfaction of the balance due under the agreement.

Any sum remaining after the satisfaction of such claims shall be paid to the debtor. If the proceeds of the sale are not sufficient to defray the reasonable expenses thereof and also the reasonable expenses of taking, keeping and storing the property and the balance due under the agreement, the creditor may recover the deficiency from the debtor or anyone who has succeeded to the obligations of the debtor.

(3) If the debtor, at the time of the taking or of the foreclosure mentioned above, has not paid at least half of the principal due under the agreement, the creditor shall have the option of:

(a) Notifying the debtor in the manner provided in subsection (2), section 51 of this subchapter of his election to retain the property as his own without obligation to account to the debtor and the debtor shall then be discharged of all obligations under the agreement; or

(b) Selling the property in the manner provided in subsection (1) and applying the proceeds as provided in subsection (2) of this section, with the same right to recover any deficiency as therein provided.

(4) During the twenty days retention period provided for in subsection (1), section 51 of this subchapter and at any other time before the creditor has disposed of the property or before the debtor's obligation has been discharged under subsection (3) of this section, the debtor may redeem the property by tendering fulfillment of all obligations due under the agreement up to the date of the tender as well as all the expenses reasonably incurred by the creditor in taking, keeping and storing the property and in arranging for the sale, and upon so doing shall become entitled to take possession of the property and to continue in the performance of the agreement as if no default has occurred. Upon written demand given by the debtor in the manner provided for notice in subsection (2), section 51 of this subchapter, the creditor shall furnish to the debtor a written statement of the sum due under the agreement and the expenses of taking, keeping and storing and in arranging for the sale. For failure to furnish such a statement within a reasonable time after demand the creditor shall forfeit to the debtor five dollars and shall also be liable to him for all damages suffered because of such failure. (Code 1966, § 279(h)(1)(C) to (F); Code 1970, tit. 57, § 53.)

### SUBCHAPTER III.

#### *Judicial Foreclosure.*

**§ 101. Civil action for foreclosure authorized.** — The creditor may bring a civil action for foreclosure in such manner as the court may order. If the creditor starts foreclosure under the provisions of subchapter II of this chapter, he may abandon that at any point and proceed by a civil action. After proper service on the defendant or defendants, the court may order foreclosure in such manner as it deems will best protect the rights of the parties. (Code 1966, § 279(h)(2); Code 1970, tit. 57, § 101.)

## CHAPTER 2.

## LAND OWNERSHIP GENERALLY.

Sec.

201. Restrictions upon ownership.

**§ 201. Restrictions upon ownership.** — Only citizens of the Trust Territory or corporations wholly owned by citizens of the Trust Territory may hold title to land in the Trust Territory; provided, that nothing herein shall be construed to divest or impair the right, title, or interest of noncitizens or their heirs or devisees, in lands in the Trust Territory held by such persons prior to December 8, 1941, and which have not been vested in the alien property custodian by vesting order dated September 27, 1951, or, if vested, are released from the terms of said order by direction of the High Commissioner; provided further, that nothing herein shall be construed to prevent the government of the Trust Territory from holding title to lands in the Trust Territory; and provided further, that this section shall not apply to cooperative associations and credit unions duly organized and incorporated pursuant to the laws of the Trust Territory. (Code 1966, § 900; Code 1970, tit. 57, § 11101.)

**Cross references.** — Trade and property rights protected, 1 TTC § 13.

**Only citizens may hold title to land.** — Pursuant to this Code, only citizens of the Trust Territory may hold title to land in the Trust Territory. *Palting v. Guerrero*, 4 TTR 160 (1968).

**Disqualification of person from holding land rights.** — Where a person is disqualified under Trust Territory law from holding rights in land which he has acquired, this is a matter of which only government can take advantage. *Acfalle v. Aguon*, 2 TTR 133 (1960).

Disqualification from holding title to land is a matter of which only government can take advantage. *Caipot v. Narruhn*, 3 TTR 18 (1965).

Disqualification from holding title to land because of nationality is matter of which only government can take advantage. *Osawa v. Ludwig*, 3 TTR 594 (App. Div. 1966).

**Code provision enforced only by government.** — Only the government may enforce the code provision against a person

disqualified from holding an interest in land. *Muller v. Maddison*, 5 TTR 471 (1971).

**Requirement of action by government.** — Person subject to disqualification as land owner can continue to exercise rights of ownership until government acts on matter. *Caipot v. Narruhn*, 3 TTR 18 (1965).

As against all persons other than government, one disqualified under Trust Territory law from holding rights in land may continue to exercise all rights of ownership unless and until government acts on the matter. *Acfalle v. Aguon*, 2 TTR 133 (1960).

**Title holder must be citizen; compensation agreement between attorney and client not enforceable here.** — An agreement for compensation between an attorney and client which provides that part of the attorney's fees will be an interest in land in the Trust Territory will not be enforced by the court, where the attorney is not a citizen of the Trust Territory. *Palting v. Guerrero*, 4 TTR 160 (1968).

## CHAPTER 3.

## LAND MEASUREMENT SYSTEM.

Sec.

251. Metric system authorized; conversion tables.

Sec.

252. Markers; payment.  
253. Same; removal.

**§ 251. Metric system authorized; conversion tables.** — It shall be lawful throughout the Trust Territory to employ the metric system of measurement of lengths and areas, and no contract or dealing, or pleading in any court shall be deemed invalid or liable to objection because the measures expressed or referred to therein are measures of the metric system. The tables in the following schedule shall be recognized in the construction of contracts and in all legal proceedings, and may lawfully be used for expressing measurements of length and area in the metric system:

## Measures of Length

Metric denominations and values	Equivalent in English System
Kilometer . . . . . 1,000 meters	0.62137 mile, or 3,280 feet and 10 inches
Hectometer . . . . . 100 meters	328 feet and 1 inch
Dekameter . . . . . 10 meters	393.7 inches
Meter . . . . . 1 meter	39.37 inches
Decimeter . . . . . 1/10 of a meter	3.937 inches
Centimeter . . . . . 1/100 of a meter	0.3937 inch
Millimeter . . . . . 1/1000 of a meter	0.0394 inch

## Measures of Area

Metric denominations and values	Equivalent in English System
Hectare . . . . . 10,000 square meters	2.471 acres
Are . . . . . 100 square meters	119.6 square yards
Centare . . . . . 1 square meter	1.19 square yards or 1,550 square inches

(Code 1966, § 1020; Code 1970, tit. 57, § 11151.)

§ 252. **Markers; payment.** — The district land title officer shall collect and deposit with the treasurer of the Trust Territory the reasonable cost of land markers furnished by the district land office. (Code 1966, § 1021; Code 1970, tit. 57, § 11152.)

§ 253. **Same; removal.** — Any person who wilfully and maliciously defaces, alters or removes any marker, monument or reference point which marks or determines the configuration or contour of any lot or tract of land, if erected by (1) a licensed surveyor, (2) a private individual pursuant to section 207 of title 67 of the Trust Territory Code, (3) agreement between adjacent landowners; provided, however, that this subsection shall apply only to persons who own no interest in any land to which such marker, monument, or reference point pertains, or (4) any agency of the government, shall upon conviction be imprisoned for a period of not more than one year, or fined not more than one hundred dollars, or both. (Code 1966, § 1022; Code 1970, tit. 57, § 11153; P.L. No. 5-29, § 1.)

## CHAPTER 4.

## RECORDING OF LAND TRANSFERS.

Sec.

301. Copies; indexes.

302. Effect of failure to record.

**§ 301. Copies; indexes.** — The clerk of courts in each district, upon payment of such fees, if any, as the High Commissioner may fix, shall make and keep in a permanent record a copy of all documents submitted to him for recording which relate to title to real estate in his district and shall comply with regulations issued by the high court, and any law applicable thereto. He shall also keep an index or indexes of such records in such manner as the high court may direct. (Code 1966, § 1023(a); Code 1970, tit. 57, § 11201.)

**§ 302. Effect of failure to record.** — No transfer of or encumbrance upon title to real estate or any interest therein, other than a lease for a term not exceeding one year, shall be valid against any subsequent purchaser or mortgagee of the same real estate or interest, or any part thereof, in good faith for a valuable consideration without notice of such transfer or encumbrance, or against any person claiming under them, if the transfer to the subsequent purchaser or mortgagee is first duly recorded. Nor shall any transfer of or encumbrance upon title to real estate or any interest therein, other than a lease for a term not exceeding one year, be valid as against any judgment affecting the title unless such transfer or encumbrance is duly recorded prior to the record of the notice of action in which the judgment is rendered. (Code 1966, § 1023(b); Code 1970, tit. 57, § 11202.)

**Recordation not required for effective land transfer.** — A land transfer need not be recorded to be effective; the only purpose of the recordation statute is to protect purchasers against prior transfers. *Llecholech v. Blau*, 6 TTR 525 (1974).

**Right to rely on record title.** — Party's occupancy of land in Palau since 1946 does not, as matter of law, give notice of claim of ownership as against recorded title determination of 1957, and subsequent purchaser has right to rely on record title and obligation under law requiring recordation of subsequent interests. *Rudimch v. Chin*, 3 TTR 323 (1967).

**Unrecorded transfer of or encumbrance upon real estate invalid against subsequent**

**good faith purchaser who records first.** — Transfer of or encumbrance upon real estate or any interest therein, other than lease for term not exceeding one year, is not valid as against subsequent purchaser or mortgagor of same real estate who buys in good faith for valuable consideration without notice of prior transfer, if transfer to subsequent purchaser is recorded first. *Asanuma v. Flores*, 1 TTR 458 (1958).

**Gift of use rights in mortgaged land.** — Where mortgage is recorded after default in payment of secured debt, unrecorded gift of use rights in mortgaged land is subordinate to mortgage so far as areas covered may overlap, provided mortgagee had no notice of gift at time mortgage contract was entered into. *Iyar v. Sungiyama*, 2 TTR 154 (1960).



## CHAPTER 5.

## REAL PROPERTY SECURITY INSTRUMENTS.

Sec.	Sec.
351. Short title.	358. Sale under power.
352. Transfers in trust of real property to secure obligations permitted.	359. Discharge, reconveyance, and satisfaction.
353. Trustee for deeds of trust.	360. Waste.
354. Writing and recordation required.	361. Appointment of receiver.
355. Compliance with chapter required for foreclosure.	362. Assignment.
356. Power of sale.	363. District legislature act.
357. Reinstatement.	364. Construction with other laws.

**§ 351. Short title.** — This chapter is known and may be cited as the “Real Property Security Instruments Act of 1977.” (P.L. No. 7-53, § 1.)

**§ 352. Transfers in trust of real property to secure obligations permitted.** — Transfers in trust of any estate in real property may be made to secure the performance of an obligation or the payment of any debt. Real property to secure obligations shall be by deed of trust pursuant to the provisions of this chapter. Such transfer does not entitle the trustee or beneficiary to the possession of the property, except as herein otherwise provided. (P.L. No. 7-53, § 2.)

**§ 353. Trustee for deeds of trust.** — The trustee for any deed of trust executed on real property in the Trust Territory may be the housing authority of the district in which the real property is situated. (P.L. No. 7-53, § 3.)

**§ 354. Writing and recordation required.** — A deed of trust can be created, renewed, modified, or extended only by writing and must be recorded with the land commission of the district in which the real property is situated. (P.L. No. 7-53, § 4.)

**§ 355. Compliance with chapter required for foreclosure.** — Foreclosure of a deed of trust shall be only by the exercise of a power of sale in accordance with the provisions of this chapter. This section does not preclude a court from granting equitable relief other than foreclosure. (P.L. No. 7-53, § 5.)

**§ 356. Power of sale.** — (1) Where any transfer in trust of any estate in real property is made to secure the performance of an obligation or the payment of any debt, a power of sale is hereby conferred upon the trustee to be exercised after a breach of the obligation for which such transfer is security.

(2) The power of sale shall not be exercised, however, until:

(a) The trustee or beneficiary shall first file for record with the land commission in the district in which the real property is situated a notice of default, identifying the deed of trust by stating the name or names of the trustor or trustors and giving the date of recordation and the location where the same is recorded in the records of the district land commission, and containing a statement that a breach of the obligation for which such transfer in trust in security was made has occurred, and setting forth the nature of such breach and of his election to sell or cause to be sold such property to satisfy the obligation;

(b) A copy of the notice of default and election to sell is personally served or, if personal service is not made despite efforts in good faith, is mailed by

registered or certified mail with postage prepaid to the trustor or his successor in interest if such address is known, otherwise to the address of the trust property;

(c) Not less than three months shall thereafter elapse; and

(d) After the lapse of the three months, the trustee shall within sixty days thereof give notice of sale, stating the time and place thereof, in the manner, and for a time not less than that, specified in the provisions of this chapter for exercise of the power of sale in a deed of trust.

(3) Title to any real property in the Trust Territory sold pursuant to exercise of power of sale in a deed of trust shall pass only to a citizen of the Trust Territory or such others as are permitted to hold title to real property in the Trust Territory under the provisions of this Code. (P.L. No. 7-53, § 6; P.L. No. 7-59, § 1.)

**§ 357. Reinstatement.** — Whenever all or a portion of the principal sum of any obligation secured by deed of trust on real property has, prior to the maturity date fixed in such obligation, become due or been declared due by reason of default in payment of interest or of any installment of principal, or by reason of failure of the trustor to pay in accordance with the terms of such obligation or of such deed of trust, or when the trustor voluntarily conveys the property to the trustee, the trustor or his successor in interest in the trust property or any part thereof, at any time under such deed of trust, may pay to the beneficiary or his successor in interest the entire amount then due under the terms of such deed of trust and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of such obligation and deed of trust, and trustee's or attorney's fees, as may be awarded by the court) and thereby cure the default theretofore existing. Thereupon, all proceedings theretofore had or instituted shall be dismissed or discontinued and the obligation and deed of trust shall be reinstated and shall be and remain in force and effect as if no such acceleration had occurred. (P.L. No. 7-53, § 7.)

**§ 358. Sale under power.** — (1) All sales of property under power contained in any deed of trust must be held in the district where said property is situated, and must be made at auction, to the highest bidder, between the hours of 7:30 a.m. and 4:30 p.m.

(2) Before the sale of property under power contained in any deed of trust, notice thereof must be given by:

(a) Personal service or, if personal service is not made despite efforts in good faith, by mailing a copy of said notice at least twenty days and not more than sixty days before the date of sale by registered or certified mail with postage prepaid to the trustor or his successor in interest if such address is known, otherwise to the address of the trust property;

(b) Publishing a copy thereof once a week for at least twenty days before the date of sale in some newspaper of general circulation in the community or district in which the property is situated, or, if there be no such newspaper, by posting such notice for the same period in three public places in the community or district in which the property is to be sold; and

(c) Posting a copy of said notice in some conspicuous place on the property to be sold, at least twenty days before date of sale.

(3) Whenever a request in writing signed by both trustor and beneficiary for a postponement of the sale to an agreed date and hour is given to the trustee, the trustee shall thereupon by public declaration postpone the sale to the day and hour so fixed in such request. The sale shall be held at the place originally fixed by the trustee for the sale. In case of postponement, notice must be given by public declaration by the trustee at the time and place last appointed for the sale. No other notice of postponed sale need be given.

(4) The trustee, upon such sale, shall make without warranty, execute and, after due payment made, deliver to purchaser or purchasers, his or their heirs or assigns, a deed or deeds of the premises so sold which shall convey to the purchaser or purchasers all the title of the trustor in the trust premises, and shall apply the proceeds of the sale thereof in payment, firstly, of the expenses of such sale, together with the reasonable expenses of trust, including attorney's fees as may be awarded by the court, which shall become due upon any default made by the trustor in any of the payments, and in payment, secondly, of the obligation or debts secured, and interest thereon then remaining unpaid, and the amount of all other moneys with interest thereon agreed to be paid by the trustor. The balance or surplus of such proceeds of sale shall be paid to trustor, his heirs, executors, administrators, or assigns.

(5) A recital in the deed executed pursuant to the power of sale of compliance with all requirements of law regarding filing of notice of default, personal service or mailing copies of the notice of default, election to sell and notice of sale to the trustor or his successor in interest, publishing or posting, or both, notice of sale, and personal service or mailing copies of notices shall constitute prima facie evidence of compliance with such requirements and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value and without notice.

(6) Every sale made under the provisions of this act vests in the purchaser the title of the trustor without equity or right of redemption.

(7) If, at the time and place specified for sale, no buyer appears or is eligible to purchase under the provisions of this Code, the trustee shall purchase the property in its own name in trust for and on behalf of the beneficiary, for the remaining unpaid balance of the debt secured by the deed of trust, and may thereupon enter into possession of the property; and such purchase and other evidence of title shall be recorded with the land commission for the district in which the property is situated. In the event of such a purchase, or acquisition in lieu of foreclosure, the trustee shall in all respects be a fiduciary with respect to such property for the benefit of the beneficiary, and may lease, operate, manage, and sell, or otherwise dispose of the property, under such terms, covenants and conditions as may be specified by the beneficiary. The trustee and beneficiary of any deed of trust may at any time agree or enter into a trust or holding agreement formalizing the rights, duties and obligations concerning the property secured by deed of trust, in the event the trustee purchases under the deed of trust under the provisions of this chapter. (P.L. No. 7-53, § 8; P.L. No. 7-59, § 2.)

**§ 359. Discharge, reconveyance, and satisfaction.** — (1) A deed of trust must be discharged by an acknowledged certificate signed by the beneficiary, his personal representative or assigns, stating that the debt secured by the deed of trust has been paid, satisfied, or discharged. Reference shall be made in such certificate to the name or names of the trustor or trustors, the date of recordation and the location where the deed of trust is recorded in the records of the district land commission.

(2) When any debt secured by a deed of trust has been justly satisfied, the beneficiary of the deed of trust, or his assignee, must execute, acknowledge, and deliver to the trustor or the owner of the land a certificate of discharge of the debt, and, upon notice thereof, the trustee shall execute a full reconveyance of title to the trustor or owner. The beneficiary, his assignee or personal representative shall deliver to the trustor, his heirs, successors or assigns, the deed of trust and the note so paid or satisfied. (P.L. No. 7-53, § 9.)

**§ 360. Waste.** — No person who has transferred in trust any estate in real property as security for the performance of an obligation or the payment of any debt may do any act which will substantially impair the beneficiary's security. (P.L. No. 7-53, § 10.)

**§ 361. Appointment of receiver.** — (1) At any time after the filing of a notice of breach and election to sell real property under a power of sale contained in a deed of trust, the trustee or beneficiary of the deed of trust may apply to the high court for the district in which the property is located for the appointment of a receiver of such property.

(2) A receiver shall be appointed where it appears that real property subject to the deed of trust is in danger of substantial waste, or that the income therefrom is in danger of being lost, or that personal property subject to the deed of trust is in danger of being lost, removed, materially injured or destroyed, or that the property is or may become insufficient to discharge the debt which it secures. (P.L. No. 7-53, § 11.)

**§ 362. Assignment.** — Any assignment of the beneficial interest under a deed of trust may be recorded at the land commission of the district in which the land is situated, and from the time the same is filed for record all persons are deemed to have constructive notice of the contents thereof. (P.L. No. 7-53, § 12.)

**§ 363. District legislature act.** — This chapter shall apply to a district by a bill adopting this chapter, and upon its enactment by the district legislature, becoming law. (P.L. No. 7-53, § 13.)

**§ 364. Construction with other laws.** — Insofar as the provisions of this chapter are inconsistent with the provisions of any other law, the provisions of this chapter shall be controlling. (P.L. No. 7-53, § 14.)