

CHAPTER 32-19.2

TRUSTEES FOR COMMERCIAL BUILDINGS DURING FORECLOSURES

32-19.2-01. Appointment of trustee. On application of the mortgagee or contract for deed vendor, in any action for the foreclosure of a real estate mortgage or for cancellation of a contract for deed upon any commercial building, including apartments of two or more units, the court, upon ten days' notice to the mortgagor or contract for deed vendee, may, upon good cause being shown, appoint a trustee to take possession of the premises. Any person, other than the mortgagee or vendor, or its agents or employees, may act as trustee if the court deems the person qualified.

32-19.2-02. Authority and duties of trustee. The trustee shall:

1. Take possession of the premises.
2. Pay, to the extent funds are available, all utilities, taxes, insurance, and expenses of maintenance and operation.
3. Receive the rentals from tenants.
4. Remove tenants for nonpayment of rent or for any other cause permissible by law.
5. Rent premises.

32-19.2-03. Termination and accounting. The appointment of a trustee continues until:

1. The expiration of the period of redemption;
2. The redemption of the premises by the mortgagor or contract vendee;
3. The voluntary dismissal of the foreclosure or cancellation action; or
4. Removal of the trustee by the court.

Within thirty days after the termination of appointment, the trustee shall file with the court a report of the trustee's activities and all receipts and expenditures, and shall serve a copy on the mortgagor or the vendee by certified or registered mail, an affidavit of service by mail being competent proof thereof. The trustee's account becomes final unless objected to within thirty days from the date of mailing to the mortgagor or contract vendee.

32-19.2-04. Compensation of trustee and distribution of funds. Upon the trustee's account becoming final, the trustee shall pay all remaining funds, less the trustee's fee and expenses, to the mortgagor or contract vendee or to such other person as may be otherwise provided by law. The trustee is entitled to a fee as set by the court. All expenses incurred by the trustee in performing duties under this chapter must be reimbursed out of available funds.