

WFG Informational Bulletin

To: All Louisiana Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: July 9, 2021
Bulletin No.: LA 2021-03
Subject: 2021 Louisiana Legislative Session

The 2021 Regular Legislative Session ended June 11. This was a fiscal session, which limits the filing of non-tax and budget-related bills. Compared to last year, this was a relatively quiet year at the legislature for our industry. Unless otherwise specified, the new laws take effect August 1, 2021.

INSURANCE PRODUCERS

ACT 8 (HB 65) – this law amends R.S. 22:526 and eliminates the “on-site” requirement for audits of title agents by their underwriters. Title insurers are still required to audit their agents at least once every three years, but the change will permit audits to be done remotely.

PRESCRIPTION

ACT 414 (HB 81) – this act, a product of the Law Institute, enacts changes to the prescriptive periods for revocatory and redhibitory actions. Civil Code Art. 2041 requires that a revocatory action be brought within one year from the time the obligee learned or should have learned of the obligor’s act, but never more than three years from the date of the act. This act eliminates the fraud exception to the three-year period.

The act also amends Civil Code Art. 2534 to provide for uniform prescriptive periods for redhibition claims whether involving movables or immovables. Under the revised law, redhibition claims can be brought against good faith sellers two years from the date of delivery or one year from discovery, whichever is earlier. Previously, redhibition claims involving movables prescribed the earlier of four years from delivery or one year from discovery, whereas those claims involving “residential or commercial” immovables prescribed one year from delivery. Redhibitory actions against bad faith sellers, under the revised law, are now subject to a max prescriptive period of 10 years from the sale, or one year from discovery, whichever is earlier.

PARTITIONS

ACT 27 (HB 400) -- This session saw additional changes to the partition by private sale procedure adopted last year. The act effectively gives co-owners a right of first refusal, or priority, before the property can be sold at a public sale or at a private sale to third parties. The act raises the minimum price to appraised value, from 2/3 of that sum, when a private sale is made without the consent of all

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co-owners. The law also now requires that payment in cash or certified funds be made within 24 hours of the rendition of judgment ordering a private sale when a co-owner is an absentee. The act took effect June 1.

SHERIFF'S SALES

ACT 469 (HB 264) – This act amends Code of Civil Procedure Art. 2331, to provide that if a judicial sale of immovable property is rescheduled, notice of the new date need only be published once.

ACT 309 (HB 348) – CCP Art. 2334 requires the sheriff to read aloud the advertisement describing the property. This law amends that provision to permit the sheriff to read only part of the advertisement sufficient to reasonably provide notice to the public of the property being offered, but requires at a minimum a reading of the lot and subdivision or municipal number, or section, township and range, including some identifying mark, if appropriate, and recording information.

CIVIL PROCEDURE

ACT 174 (HB 164) – This act, also from the Law Institute and effective January 1, 2022, makes some significant changes to civil procedure. It streamlines the default judgment process by eliminating the preliminary default. But it expands the pre-default notice requirements. And it permits the court to raise an objection of prescription sua sponte in certain circumstances. The law also extends the initial delay for answering to 21 days, or 30 days if discovery is served with the petition.

The full text of the acts can be reviewed [HERE](#). If you have any questions or concerns, please do not hesitate to contact us.

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