

CHAPTER 139.

[S. B. 220.]

FOREIGN CORPORATIONS, ORGANIZATIONS—
MORTGAGES—RIGHT OF ACTION.

AN ACT relating to the acquisition of notes secured by real estate mortgages by corporations and organizations not admitted to transact business in the state of Washington, and providing for the right to foreclose such mortgages and to hold and dispose of any property acquired through such foreclosure, without requiring such corporations or organizations to be admitted to transact business in this state and establishing a procedure for service of process on such nonadmitted organizations.

Be it enacted by the Legislature of the State of Washington:

Powers of foreign corporations with respect to notes secured by real estate mortgages.

SECTION 1. Any corporation, bank, trust company, mutual savings bank, savings and loan association, national banking association, or other corporation or association organized and existing under the laws of the United States or under the laws of any state or territory of the United States other than the state of Washington (including, without restriction of the generality of the foregoing description, employee pension fund organizations, charitable foundations, trust funds, or other funds, foundations or trusts engaged in the investment of moneys, and trustees of such organizations, foundations, funds or trusts), and which are not admitted to conduct business in the state of Washington under the provisions of chapter 23.52 RCW as derived from chapter 70, Laws of 1937, and which are not otherwise specifically authorized to transact business in this state (herein collectively referred to as "nonadmitted organizations") may purchase, acquire, hold, sell, assign, transfer and enforce notes secured by real estate mortgages covering real property situated in this state and the security interests thereby provided, and may make commitments to purchase or acquire such notes so secured.

SEC. 2. Such nonadmitted organizations shall have the right to foreclose such mortgages under the laws of this state or to receive voluntary conveyance in lieu of foreclosure, and in the course of such foreclosure or of such receipt of conveyance in lieu of foreclosure, to acquire the mortgaged property, and to hold and own such property and to dispose thereof. Such nonadmitted organizations however, shall not be allowed to hold, own and operate said property for a period exceeding five years. In the event said nonadmitted organizations do hold, own and operate said property for a period in excess of five years, it shall be forthwith required to comply with the provisions of RCW 23.52.051.

Foreclosure of mortgage—Voluntary conveyance in lieu of—Limitation on holding of property.

SEC. 3. The activities authorized by sections 1 and 2 of this act by such nonadmitted organizations shall not constitute “conducting business,” “carrying on business,” “transacting business,” or “doing business” within the meaning of chapter 23.52 RCW and section 23.28.060 RCW as derived from chapter 70, Laws of 1937.

Activities not “doing business” in state.

SEC. 4. In any action in law or equity commenced by the obliger or obligers, it, his, her or their assignee or assignees against the said nonadmitted organizations on the said notes secured by said real estate mortgages purchased by said nonadmitted organizations, service of all legal process may be had by serving the secretary of state of the state of Washington.

Actions against nonadmitted organization—Service of process.

SEC. 5. Duplicate copies of legal process against said nonadmitted organizations shall be served upon the secretary of state by registered mail. At the time of service the plaintiff shall pay to the secretary of state two dollars taxable as costs in the action and shall also furnish the secretary of state the home office address of said nonadmitted organization. The secretary of state shall forthwith send one of the copies of process by registered mail with return re-

Procedure, service of process—Costs—Time to appear, plead or answer.

ceipt requested to the said nonadmitted organization to its home office. The secretary of state shall keep a record of the day and the hour of service upon him of all legal process. No proceedings shall be had against the nonadmitted organization nor shall it be required to appear, plead or answer until the expiration of forty days after the date of service upon the secretary of state.

Time to appear, plead or answer.

Actions against nonadmitted organization—Venue.

SEC. 6. Suit upon causes of action arising against the said nonadmitted organizations shall be brought in the county where the property is situated which is the subject of the mortgage purchased by the said nonadmitted organizations. If the property covered by the said mortgage is situated in more than one county, venue may be had in any of said counties where the property lies.

Passed the Senate February 19, 1957.

Passed the House March 10, 1957.

Approved by the Governor March 20, 1957.