

MEMORANDUM

TO: Uniform Law Commission

FROM: Thomas S. Hemmendinger, Chair, Drafting Committee
R. Wilson Freyermuth, Reporter, Drafting Committee

DATE: May 27, 2015

RE: Uniform Commercial Real Estate Receivership Act—2015 Annual Meeting Draft

This Act is scheduled for a final reading at our Annual Meeting in July. The draft includes an extensive Prefatory Note and detailed Reporter’s Notes. Therefore, this memo is meant to be only a brief introduction to the Act.

Receivership is a centuries-old equitable remedy to preserve and liquidate property. A court may appoint a receiver to maintain the status quo during litigation or a mortgage foreclosure, or to liquidate property for the benefit of creditors. Receivership is also a common method to dissolve a business entity. However, many States lack comprehensive statutes or case law to guide courts and parties through the receivership process.

The purpose of this Act is to provide that guidance. The Act does not purport to be a “receivership code.” Rather, it tries to clarify important questions, such as the receiver’s power to sell real property and pass good title, while leaving courts the discretion and flexibility to resolve disputes in an equitable manner.

The Drafting Committee welcomes your ideas and suggestions on every aspect of the Act.