

No. 7, S.]

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CHAPTER 278.

AN ACT to amend 45.352 (5) and 235.70 of the statutes, relating to the priority of mortgages to the department of veterans' affairs.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 45.352 (5) of the statutes is amended to read:

45.352 (5) Each loan made under this section shall be repaid to the department in equal monthly installments commencing upon occupancy by the veteran, and over a period of not to exceed 20 years, with the option to pay additional sums on any installment paying day. Such loan shall bear interest at the rate of 2 per cent per annum on unpaid balances of principal and shall be evidenced by a promissory, installment note payable to the department and executed by the veteran to whom the loan is made. The department is authorized to obtain guarantees for such loans under the provisions of section 505 of the servicemen's readjustment act. The note shall be secured by a mortgage on the real estate in respect to which the loan is granted. Such mortgage shall be substantially in the form, contain the covenants and be executed in the manner prescribed in chapter 235 and shall provide for adequate insurance against loss by fire and wind and that the premises therein described are free and clear of all incumbrances whatsoever. But any such mortgage may be junior and subject to one prior mortgage, and in such case shall include an exception as to such prior mortgage, giving a description thereof. *Such mortgage shall have priority over all liens upon the mortgaged premises and the buildings and improvements thereon, except tax and special assessment liens, which are filed after the recording of such mortgage.*

SECTION 2. 235.70 of the statutes is amended to read:

235.70 Whenever any mortgage executed to a federal savings and loan association organized and existing under the laws of the United States or to the Wisconsin department of veterans' affairs under section 45.352 (5) shall have been duly recorded, such mortgage shall have priority over all liens upon the mortgaged premises and the buildings and improvements thereon, except tax and special assessment liens, which shall be filed subsequent to the recording of such mortgage.

Approved June 4, 1951.