

On page 1, line 1, of the Introduced bill, delete "revise the liability of a guarantor" and insert "require notice of a cross default clause"

After page 1, line 2, of the Introduced bill, insert "

Section 1. That a NEW SECTION be added:

56-1-29. Cross-default clause—Notice.

If a loan agreement contains a cross-default clause, the lender shall, at the time of signing, provide the borrower and any co-signor with a separate notice that:

- (1) Reprints the cross-default clause in its entirety, in at least 10-point bold type;
- (2) Contains a plain-language summary of the rights and duties created by the clause;
and
- (3) Provides for a signature line wherein the borrower acknowledges that the borrower has been made aware of the provision by the lender and that the borrower comprehends and knowingly accepts the potential consequences of the clause.

A cross-default clause that is not supported by the notice requirements of this section is void and unenforceable.

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