



Ohio Revised Code

Section 5301.234 Mortgage subrogation.

Effective: October 24, 2024

Legislation: Senate Bill 94 - 135th General Assembly

(A) A mortgage encumbering real property granted to secure the repayment of funds used to satisfy a mortgage or lien on such real property shall be subrogated to the priority of the mortgage or lien that was satisfied to the extent of the amount satisfied if both of the following apply:

- (1) The intent of the parties to the new mortgage is that the new mortgage would have the priority of the mortgage or lien satisfied.
- (2) The expectation of the holder of a subordinate mortgage or lien at the time that it received its interest was that it would be junior to the mortgage or lien that was satisfied.

(B) A mortgagee seeking to be subrogated pursuant to division (A) of this section to the priority of a lien that the mortgagee has satisfied shall not be denied subrogation for any of the following reasons:

- (1) The mortgagee meets any of the following criteria:
 - (a) The mortgagee is engaged in the business of lending.
 - (b) The mortgagee had actual knowledge or constructive notice of the mortgage or lien over which the mortgagee would gain priority through subrogation.
 - (c) The mortgagee or a third party committed a mistake or was negligent.
- (2) The lien for which the mortgagee seeks to be subrogated was released.
- (3) The mortgagee obtained a title insurance policy.

(C) Notwithstanding division (A) of this section, the holder of a subordinate mortgage or lien shall retain the same subordinate position that such person would have had if the prior mortgage or lien



had not been satisfied.
