

In this scenario — where a secured mortgage loan is partially unpaid after foreclosure and the borrower is a corporate entity (like Mare Nostrum Open Group, S.L.), the following Spanish laws apply:

## **1. Ley Hipotecaria (Mortgage Law)**

### **Article 105**

Establishes that a mortgage secures a loan but does not limit the borrower's personal liability. The debtor remains liable for any shortfall after foreclosure.

### **Article 120–122**

Mortgage ceases only for the foreclosed asset.  
The rest of the debt survives if not fully covered — but only as an unsecured claim (unless backed by another lien).

## **2. Código Civil (Civil Code)**

### **Article 1911**

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### **Universal Personal Liability**

The borrower (even a company) is liable with all present and future assets for outstanding obligations, unless otherwise limited.

### **3. Ley Concursal (Insolvency Law – Updated to TRLC, 2020)**

#### **Title IV – Ranking of Claims**

- Classifies creditor claims in insolvency:
  - Secured (privileged with collateral)
  - Privileged unsecured (taxes, employee claims)
  - Ordinary unsecured (like BBVA's residual claim)
  - Subordinated claims (e.g., late-filed or related-party debt)
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#### **Article 270–273 TRLC**

Define how to classify mortgage shortfalls after foreclosure — they are ordinary

claims, unless backed by other collateral or special arrangements.

#### **4. Ley de Enjuiciamiento Civil (LEC – Civil Procedure Act)**

##### **Article 578 & 579**

Allows the creditor to:

- Enforce judgments for remaining debt after foreclosure,
- Embargo other assets,
- Pursue personal assets for corporate debt if applicable (e.g., via legal piercing in fraud cases — rare).

# Summary Table:

Law	Purpose
Ley Hipotecaria	Governs mortgage creation, foreclosure, liability
Código Civil (Art. 1911)	Establishes full liability over all assets
Ley Concursal / TRLC	Defines insolvency procedures, claim ranking
Ley de Enjuiciamiento Civil	Enforcement tools: embargo, collection

Would you like a one-page reference sheet summarizing these legal articles and how they connect?