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723. — A person may mortgage a property as security for the performance of an obligation by another person.

ILLUSTRATION. — A owes 10,000 baht to B. C agrees to assign one of his properties as mortgage security for the obligation of A. When the obligation becomes due, C pays 10,000 baht to B. C is entitled to claim 10,000 baht from A.

724. — The performance of one and the same obligation may be secured by the mortgage of several properties belonging to either one or several owners.

The parties may agree :

1) that the mortgagee shall enforce his right against the mortgaged properties in a specified order.

2) that each property is security only for a specified part of the obligation.

725. — As long as the obligation is not due, the mortgagor cannot agree that the mortgagee shall, in case of non-performance, become the owner of the mortgaged property or dispose of it otherwise than in

current account. The contract must specify the highest amount, say 10,000 baht for which the house is mortgaged. If A draws 13,000 baht overdraft, B is a preferred creditor (mortgagee) up to the sum specified, 10,000 baht. For the 3000 baht balance B comes only as an ordinary creditor.

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725.—As long as the obligation is not due, the mortgagor cannot agree that the mortgagee shall, in case of non-performance, become the owner of the mortgaged property or dispose of it otherwise than in conformity with the provisions concerning enforcement of mortgage (Chapter IV).

726. — Notwithstanding any clause in the contract to the contrary, a property mortgaged to a person can be mortgaged to another person during the continuance of the previous contract.

But beasts of burden cannot be subjected to suc[c]essive mortgages.

727. — The parties to a contract of mortgage may agree that the obligation shall be performed by instalments.

728. — A contract of mortgage must be made in writing in the presence of and registered by the competent official in accordance with the rules relating thereto.

CHAPTER II.

EXTENT OF MORTGAGE.

729. — The mortgaged property is security for the performance of the obligation and for the following accessories :

1) Interest, if any.

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