

By: Representative Taylor

To: Judiciary B

HOUSE BILL NO. 93

1 AN ACT TO AMEND SECTION 89-5-21, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE AMOUNT REQUIRED TO BE PAID BY A MORTGAGEE OR CESTUI QUE
3 TRUST FOR THE FAILURE TO ENTER SATISFACTION UPON THE MORTGAGE OR
4 DEED OF TRUST; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 SECTION 1. Section 89-5-21, Mississippi Code of 1972, is
7 amended as follows:

8 89-5-21. (1) Except as otherwise provided in this section,
9 any mortgagee or cestui que trust, or assignee of any mortgagee or
10 cestui que trust, of real or personal estate, having received full
11 payment of the money due by the mortgage or deed of trust, shall
12 enter satisfaction upon the margin of the record of the mortgage
13 or deed of trust, which entry shall be attested by the clerk of
14 the chancery court and discharge and release the same, and shall
15 bar all actions or suits brought thereon, and the title shall
16 thereby revert in the grantor.

17 (2) With respect to a mortgage or deed of trust which states
18 on its face that it secures a line of credit, if the line of
19 credit is:

20 (a) Used primarily for business, commercial or
21 agricultural purposes, or

22 (b) To other than a natural person, satisfaction of
23 record shall be accomplished as set forth in subsection (3) of
24 this section, and extinguishment shall occur as provided in
25 subsection (4) of this section.

26 (3) A mortgagee or cestui que trust, or the assignee of a
27 mortgagee or cestui que trust, under a mortgage or deed of trust

28 described in subsection (2) of this section, shall, upon

29 (a) The termination or maturity of the line of credit
30 and the payment of all sums owing in connection with the line of
31 credit, or

32 (b) The payment of all sums owing in connection with
33 the line of credit and the written request by the debtor to cancel
34 the line of credit and mortgage or deed of trust securing the line
35 of credit, enter satisfaction of the mortgage or deed of trust in
36 the same manner as with other mortgages or deeds of trust.

37 (4) Upon the occurrence of either paragraph (a) or (b) of
38 subsection (3) of this section, a mortgage or deed of trust
39 described in subsection (2) of this section shall be extinguished
40 and title shall revert in the mortgagor as effectually as if
41 reconveyed.

42 (5) Subsections (2), (3) and (4) of this section shall not
43 apply to consumer loans used primarily for personal, family or
44 household purposes.

45 (6) Any such mortgagee or cestui que trust, or such assignee,
46 by himself or his attorney, who does not, after payment of all sums
47 owed, within one (1) month after full payment of all debts secured
48 by the mortgage or deed of trust, cancel on the record the mortgage
49 or deed of trust shall forfeit the sum of Two Hundred Dollars
50 (\$200.00), which may be recovered by suit on part of the party
51 aggrieved, and if after request, he fails or refuses to make the
52 acknowledgment of satisfaction, the person so neglecting or
53 refusing shall forfeit and pay to the party aggrieved any sum not
54 exceeding the mortgage money, to be recovered by action; but the
55 entry of satisfaction may be made by anyone authorized to do it by
56 the written authorization of the mortgagee or beneficiary, duly
57 acknowledged and recorded, and shall have the same effect as if
58 done by the mortgagee or beneficiary.

59 (7) As used in this section, the term "line of credit" means
60 any loan, extension of credit or financing arrangement where the

61 lender has agreed to make additional or future advances.

62 SECTION 2. This act shall take effect and be in force from
63 and after July 1, 1999.