

By: Senator(s) Posey

To: Business and
Financial
Institutions;
Judiciary

SENATE BILL NO. 2563
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 89-1-49, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT MORTGAGES OR DEEDS OF TRUST THAT SECURE LINES OF
3 CREDIT SHALL NOT BE EXTINGUISHED UPON PAYMENT OF THE MONEY
4 SECURED; TO AMEND SECTION 89-5-21, MISSISSIPPI CODE OF 1972, TO
5 SPECIFY WHEN SATISFACTION OF MORTGAGES OR DEEDS OF TRUST SECURING
6 A LINE OF CREDIT SHALL BE ENTERED UPON THE RECORD; AND FOR RELATED
7 PURPOSES.

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

9 SECTION 1. Section 89-1-49, Mississippi Code of 1972, is
10 amended as follows:

11 89-1-49. (1) Except as provided in subsections (2) and (4)
12 of this section, payment of the money secured by any mortgage or
13 deed of trust shall extinguish it, and revert the title in the
14 mortgagor as effectually as if reconveyed.

15 (2) This section shall have no application to security
16 agreements executed under the Mississippi Uniform Commercial Code
17 nor to security interests created by such security agreements.

18 (3) * * * As used in this section, the term "line of
19 credit" means any loan, extension of credit or financing
20 arrangement where the lender has agreed to make additional or
21 future advances.

22 (4) This section shall have no application to a mortgage or
23 deed of trust which secures a line of credit.

24 SECTION 2. Section 89-5-21, Mississippi Code of 1972, is
25 amended as follows:

26 89-5-21. (1) Except as otherwise provided in this section,
27 any mortgagee or cestui que trust, or assignee of any mortgagee or
28 cestui que trust, of real or personal estate, having received full

29 payment of the money due by the mortgage or deed of trust, shall
30 enter satisfaction upon the margin of the record of the mortgage
31 or deed of trust, which entry shall be attested by the clerk of
32 the chancery court and discharge and release the same, and shall
33 bar all actions or suits brought thereon, and the title shall
34 thereby revert in the grantor.

35 * * *

36 (2) Any such mortgagee or cestui que trust, or such
37 assignee, by himself or his attorney, who does not, after payment
38 of all sums owed, within one (1) month after written request,
39 cancel on the record the mortgage or deed of trust shall forfeit
40 the sum of Two Hundred Dollars (\$200.00), which can be recovered
41 by suit on part of the party aggrieved, and if after request, he
42 fails or refuses to make such acknowledgment of satisfaction, the
43 person so neglecting or refusing shall forfeit and pay to the
44 party aggrieved any sum not exceeding the mortgage money, to be
45 recovered by action; but such entry of satisfaction may be made by
46 anyone authorized to do it by the written authorization of the
47 mortgagee or beneficiary, duly acknowledged and recorded, and
48 shall have the same effect as if done by the mortgagee or
49 beneficiary.

50 (3) As used in this section, the term "line of credit" means
51 any loan, extension of credit or financing arrangement where the
52 lender has agreed to make additional or future advances.

53 (4) Any mortgagee or cestui que trust, or the assignee of a
54 mortgagee or cestui que trust, under a mortgage or deed of trust
55 securing a line of credit shall, upon (a) the termination or
56 maturity of the line of credit and the payment of all sums owing
57 in connection with the line of credit, or (b) the payment of all
58 sums owing in connection with the line of credit and a written
59 request by the debtor to cancel the line of credit and the
60 mortgage or deed of trust securing the line of credit, enter
61 satisfaction upon the margin of the record of the mortgage or deed
62 of trust, which entry shall be attested by the clerk of the
63 chancery court and discharge and release the same, and shall bar
64 all actions or suits brought thereon, and the title shall thereby
65 revert in the grantor. For the purpose of this subsection (4),

66 the requirement of a written request by the debtor may be
67 satisfied by a prospective creditor's delivery of a document,
68 signed by the debtor, requesting cancellation of the line of
69 credit and the mortgage or deed of trust securing the line of
70 credit.

71 SECTION 3. This act shall take effect and be in force from
72 and after its passage.