

By: Taylor

To: Judiciary B

HOUSE BILL NO. 85

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) Any such mortgagee or cestui que trust, or such
18 assignee, by himself or his attorney, who does not, after payment
19 of all sums owed, within one (1) month after full payment of all
20 debts secured by the mortgage or deed of trust, cancel on the
21 record the mortgage or deed of trust shall forfeit the sum of Two
22 Hundred Dollars (\$200.00), which can be recovered by suit on part

23 of the party aggrieved, and if after request, he fails or refuses
24 to make such acknowledgment of satisfaction, the person so
25 neglecting or refusing shall forfeit and pay to the party
26 aggrieved any sum not exceeding the mortgage money, to be
27 recovered by action; but such entry of satisfaction may be made by
28 anyone authorized to do it by the written authorization of the
29 mortgagee or beneficiary, duly acknowledged and recorded, and
30 shall have the same effect as if done by the mortgagee or
31 beneficiary.

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

35 (4) Any mortgagee or cestui que trust, or the assignee of a
36 mortgagee or cestui que trust, under a mortgage or deed of trust
37 securing a line of credit shall, upon (a) the termination or
38 maturity of the line of credit and the payment of all sums owing
39 in connection with the line of credit, or (b) the payment of all
40 sums owing in connection with the line of credit and a written
41 request by the debtor to cancel the line of credit and the
42 mortgage or deed of trust securing the line of credit, enter
43 satisfaction upon the margin of the record of the mortgage or deed
44 of trust, which entry shall be attested by the clerk of the
45 chancery court and discharge and release the same, and shall bar
46 all actions or suits brought thereon, and the title shall thereby
47 revert in the grantor. For the purpose of this subsection (4),
48 the requirement of a written request by the debtor may be
49 satisfied by a prospective creditor's delivery of a document,
50 signed by the debtor, requesting cancellation of the line of
51 credit and the mortgage or deed of trust securing the line of
52 credit.

53 SECTION 2. This act shall take effect and be in force from

54 and after July 1, 2000.