HOUSE BILL NO. 885
(As Passed the House)

AN ACT TO REQUIRE A MORTGAGE LENDER WHO ASSIGNs HIS INTEREST IN A MORTGAGE TO ANOTHER TO GIVE WRITTEN NOTICE TO THE MORTGAGOR OF THE ASSIGNMENT WITHIN FIFTEEN DAYS OF THE ASSIGNMENT; TO PRESCRIBE THE INFORMATION THAT MUST BE CONTAINED IN THE NOTICE; TO PROHIBIT A MORTGAGE LENDER WHO FAILS TO GIVE THE NOTICE FROM COLLECTING LATE FEES, SERVICE CHARGES OR ADDITIONAL INTEREST ON THE OUTSTANDING LOAN BALANCE; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) Any mortgage lender who assigns his interest in a mortgage to another shall give written notice to the mortgagor of the assignment within fifteen (15) days of the assignment. The notice shall include:

(a) The name, address and telephone number of the person to whom the assignment is made;

(b) The address where future mortgage payments must be sent or delivered;

(c) The outstanding balance of interest and principal owing at the time of the assignment; and

(d) Payment information indicating the amount of each payment and the number of payments remaining.

(2) For the purposes of this section, the following terms shall have the meanings ascribed to them in this subsection:

(a) "Mortgage" means a financial obligation secured by lien on real property evidenced by a deed of trust, mortgage deed or similar instrument;

(b) "Mortgage lender" means any person, company, corporation or other legal entity, including but not limited to, a bank, trust company, mortgage company, national banking association, savings and loan association, life insurance company
or any state or federal governmental agency or instrumentality, to whom a financial obligation secured by a lien on real property is owed.

(3) A mortgage lender who fails timely to provide the notice required under subsection (1) of this section shall not be entitled to charge or collect from the mortgagor any late fee, service charge, interest, penalty or any other amount over and above the amount of regularly scheduled payments required to be paid according to the mortgage instrument. However, the mortgagor is not relieved of his duty to make all payments required by the mortgage instrument, and the mortgage lender may collect all sums due and payable from the mortgagor, including fees, service charges and interest and penalties for late payment, and may pursue any legal remedies authorized by the mortgage instrument to charge and collect any outstanding payments due and owing from the mortgagor beginning no sooner than ten (10) days following the date that the mortgage lender gives notice to the mortgagor as required under subsection (1) of this section.

SECTION 2. This act shall take effect and be in force from and after July 1, 2003.