

By: Posey

To: Business and  
Financial  
Institutions

## SENATE BILL NO. 3144

1 AN ACT TO AMEND SECTION 89-1-49 AND 89-5-21, MISSISSIPPI CODE  
2 OF 1972, TO SPECIFY WHEN SATISFACTION OF A MORTGAGE OR DEED OF  
3 TRUST WHICH STATES ON ITS FACE THAT IT SECURES A LINE OF CREDIT  
4 SHALL BE ENTERED UPON THE RECORD; AND FOR RELATED PURPOSES.

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

6 SECTION 1. Section 89-1-49, Mississippi Code of 1972, is  
7 amended as follows:[JMR1]

8 89-1-49. (1) Except as provided in subsections (2) and (4)  
9 of this section, payment of the money secured by any mortgage or  
10 deed of trust shall extinguish it, and revert the title in the  
11 mortgagor as effectually as if reconveyed.

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

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

18 (4) This section shall have no application to a mortgage or  
19 deed of trust which states on its face that it secures a line of  
20 credit. Mortgages or deeds of trust not covered by this section  
21 shall be extinguished as provided in subsection (5) of Section  
22 89-5-21.

23 SECTION 2. Section 89-5-21, Mississippi Code of 1972, is  
24 amended as follows:[JMR2]

25 89-5-21. (1) Except as otherwise provided in this  
26 subsections (3), (4) and (5), any mortgagee or cestui que trust,  
27 or assignee of any mortgagee or cestui que trust, of real or

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

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

48 (3) With respect to a mortgage or deed of trust which states  
49 on its face that it secures a line of credit, satisfaction of  
50 record shall be accomplished and extinguishment shall occur as  
51 provided in subsection (5).

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

55 (5) Any mortgagee or cestui que trust, or the assignee of a  
56 mortgagee or cestui que trust, under a mortgage or deed of trust  
57 securing a line of credit shall, upon (a) the termination or  
58 maturity of the line of credit and the payment of all sums owing  
59 in connection with the line of credit, or (b) the payment of all  
60 sums owing in connection with the line of credit and a written  
61 request by the debtor to cancel the line of credit and the  
62 mortgage or deed of trust securing the line of credit, enter  
63 satisfaction upon the margin of the record of the mortgage or deed  
64 of trust, which entry shall be attested by the clerk of the

65 chancery court and discharge and release the same, and shall bar  
66 all actions or suits brought thereon, and the title shall thereby  
67 revert in the grantor. For the purpose of this subsection (5),  
68 the requirement of a written request by the debtor may be  
69 satisfied by a prospective creditor's delivery of a document,  
70 signed by the debtor, requesting cancellation of the line of  
71 credit and the mortgage or deed of trust securing the line of  
72 credit.

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