

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

Senate Bill NO. 3144

By Representative(s) Committee

9 **Amend by striking all after the enacting clause and inserting**
10 **in lieu thereof the following:**

11

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

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

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

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

24 (4) This section shall have no application to a mortgage or
25 deed of trust which states on its face that it secures a line of
26 credit. Nor to one which secures a line of credit and, under
27 prior law, was not required to state on its face that it secures a
28 line of credit. Mortgages or deeds of trust not covered by this
29 section shall be extinguished as provided in subsection (5) of
30 Section 89-5-21.

31 SECTION 2. Section 89-5-21, Mississippi Code of 1972, is

32 amended as follows:

33 89-5-21. (1) Except as otherwise provided in this
34 subsections (3), (4) and (5), any mortgagee or cestui que trust,
35 or assignee of any mortgagee or cestui que trust, of real or
36 personal estate, having received full payment of the money due by
37 the mortgage or deed of trust, shall enter satisfaction upon the
38 margin of the record of the mortgage or deed of trust, which entry
39 shall be attested by the clerk of the chancery court and discharge
40 and release the same, and shall bar all actions or suits brought
41 thereon, and the title shall thereby revert in the grantor.

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

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

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

64 (5) Any mortgagee or cestui que trust, or the assignee of a
65 mortgagee or cestui que trust, under a mortgage or deed of trust
66 securing a line of credit shall, upon (a) the termination or

67maturity of the line of credit and the payment of all sums owing
68in connection with the line of credit, or (b) the payment of all
69sums owing in connection with the line of credit and a written
70request by the debtor to cancel the line of credit and the
71mortgage or deed of trust securing the line of credit, enter
72satisfaction upon the margin of the record of the mortgage or deed
73of trust, which entry shall be attested by the clerk of the
74chancery court and discharge and release the same, and shall bar
75all actions or suits brought thereon, and the title shall thereby
76revest in the grantor. For the purpose of this subsection (5),
77the requirement of a written request by the debtor may be
78satisfied by a prospective creditor's delivery of a document,
79signed by the debtor, requesting cancellation of the line of
80credit and the mortgage or deed of trust securing the line of
81credit.

82 SECTION 3. This act shall take effect and be in force from
83and after its passage.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTIONS 89-1-49 AND 89-5-21, MISSISSIPPI
2CODE OF 1972, TO SPECIFY WHEN SATISFACTION OF A MORTGAGE OR DEED
3OF TRUST WHICH STATES ON ITS FACE THAT IT SECURES A LINE OF CREDIT
4SHALL BE ENTERED UPON THE RECORD; TO REVISE THE AMOUNT TO BE PAID
5BY A MORTGAGEE OR CESTUI QUE TRUST FOR THE FAILURE TO ENTER
6SATISFACTION UPON THE MORTGAGE OR DEED OF TRUST; AND FOR RELATED
7PURPOSES.