

By: Representative Taylor

To: Banks and Banking

HOUSE BILL NO. 316

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
9 subsections (3), (4) and (5), any mortgagee or cestui que trust,
10 or assignee of any mortgagee or cestui que trust, of real or
11 personal estate, having received full payment of the money due by
12 the mortgage or deed of trust, shall enter satisfaction upon the
13 margin of the record of the mortgage or deed of trust, which entry
14 shall be attested by the clerk of the chancery court and discharge
15 and release the same, and shall bar all actions or suits brought
16 thereon, and the title shall 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) With respect to a mortgage or deed of trust which states
33 on its face that it secures a line of credit, satisfaction of
34 record shall be accomplished and extinguishment shall occur as
35 provided in subsection (5).

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

39 (5) Any mortgagee or cestui que trust, or the assignee of a
40 mortgagee or cestui que trust, under a mortgage or deed of trust
41 securing a line of credit shall, upon (a) the termination or
42 maturity of the line of credit and the payment of all sums owing
43 in connection with the line of credit, or (b) the payment of all
44 sums owing in connection with the line of credit and a written
45 request by the debtor to cancel the line of credit and the
46 mortgage or deed of trust securing the line of credit, enter
47 satisfaction upon the margin of the record of the mortgage or deed
48 of trust, which entry shall be attested by the clerk of the
49 chancery court and discharge and release the same, and shall bar
50 all actions or suits brought thereon, and the title shall thereby
51 revert in the grantor. For the purpose of this subsection (5),
52 the requirement of a written request by the debtor may be
53 satisfied by a prospective creditor's delivery of a document,
54 signed by the debtor, requesting cancellation of the line of
55 credit and the mortgage or deed of trust securing the line of
56 credit.

57 **SECTION 2.** This act shall take effect and be in force from
58 and after July 1, 2002.

