

By: Representative Ward

To: Banks and Banking

## HOUSE BILL NO. 885

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

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

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

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

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

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

19 (d) A payment or amortization schedule indicating the  
20 amount of each payment and the number of payments remaining.

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

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

26 (b) "Mortgage lender" means any person, company,  
27 corporation or other legal entity, including but not limited to, a  
28 bank, trust company, mortgage company, national banking  
29 association, savings and loan association, life insurance company



30 or any state or federal governmental agency or instrumentality, to  
31 whom a financial obligation secured by a lien on real property is  
32 owed.

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

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

