

HOUSE RESEARCH

Bill Summary

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Subject: Certificate of Mortgage Satisfaction by Assignee; MERS

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This bill provides a process for recording a mortgage satisfaction when the original mortgage principal was up to \$500,000. It addresses the problem caused in modern real property finance as mortgages are assigned multiple times and finance companies change names, so that the original mortgagee is almost never on the mortgage when it is paid off. The procedure would be effective August 1, 2004, for mortgages recorded or filed and certificates of satisfaction executed, recorded, or filed-before, on, or after the effective date.

The bill also allows county title registrars to rely on mortgage assignments and satisfactions where the Mortgage Electronic Registration System (MERS) is shown as nominee of the lender. MERS exists to track changes in beneficial interests over the life of a mortgage as it is re-sold.