

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: 5-3-99

(Filing No. H-382)

JUDICIARY

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1127, L.D. 1586, Bill, "An Act to Require a Mortgagee to Record the Discharge of a Mortgage Within 30 Days"

Amend the bill by striking out the title and substituting the following:

'An Act to Require the Holder or Servicer of a Mortgage to Record the Discharge Within 60 Days'

Further amend the bill in section 1 in that part designated "\$551." by striking out all of the 2nd, 3rd and 4th paragraphs (page 1, lines 25 to 50 in L.D.) and inserting in their place the following:

'Within 60 days after full performance of the conditions of the mortgage, the mortgagee shall record a valid and complete release of mortgage together with any instrument of assignment necessary to establish the mortgagee's record ownership of the mortgage. As used in this paragraph, the term "mortgagee" means both the owner of the mortgage at the time it is satisfied and any servicer who receives the final payment satisfying the debt. If a release is not transmitted to the registry of deeds within 60 days, the owner and any such servicer are jointly and severally liable to an aggrieved party for damages equal to exemplary damages of \$200 per week after expiration of the 60 days, up to an aggregate maximum of \$5,000 for all aggrieved parties or the actual loss sustained by the aggrieved party, whichever is greater. If multiple aggrieved parties seek exemplary damages, the court shall equitably allocate the maximum amount. The mortgagee is also liable for court costs and reasonable attorney's fees in any successful action to enforce the liability. The mortgagee may charge the mortgagor for any recording fees incurred in recording the release of mortgage.'

COMMITTEE AMENDMENT

2 With respect to a mortgage securing an open-end line of
3 credit, the 60-day period to deliver a release commences after
4 the mortgagor delivers to the address designated for payments
5 under the line of credit a written request to terminate the line
6 and the mortgage together with payment in full of all amounts
7 secured by the mortgage. The mortgagee may designate in writing
8 a different address for delivery of written notices under this
9 paragraph.'

10 Further amend the bill by inserting after section 1 the
11 following:

12 **'Sec. 2. Application.** This Act applies to mortgages satisfied
13 after December 31, 1999.'

14 Further amend the bill by inserting at the end before the
15 summary the following:

16
17
18
19
20 **'FISCAL NOTE**

21 This bill may increase the number of civil suits filed in
22 the court system. The additional workload and administrative
23 costs associated with the minimal number of new cases filed can
24 be absorbed within the budgeted resources of the Judicial
25 Department. The collection of additional filing fees may also
26 increase General Fund revenue by minor amounts.'

27
28
29
30 **SUMMARY**

31 This amendment requires the current holder or servicer of
32 the mortgage to record the discharge of a mortgage within 60 days
33 of the satisfaction of the mortgage. It also provides for a
34 penalty equal to the greater of exemplary damages of \$200 per
35 week after the 60-day period has expired up to an aggregated
36 maximum of \$5,000 or the actual damages incurred by the mortgagor.

37 The amendment also adds an application section and a fiscal
38 note to the bill.
39
40