

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 1586

H.P. 1127

House of Representatives, March 2, 1999

**An Act to Require a Mortgagee to Record the Discharge of a Mortgage  
Within 30 Days.**

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Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative LaVERDIERE of Wilton. (By Request)  
Cosponsored by Representatives: JABAR of Waterville, LEMOINE of Old Orchard Beach,  
NORBERT of Portland, O'NEIL of Saco, SAVAGE of Buxton, THOMPSON of Naples.

Be it enacted by the People of the State of Maine as follows:

2  
3           **Sec. 1. 33 MRSA §551**, as amended by PL 1977, c. 100, §§1 and  
4 2, is further amended to read:

6           **§551. Entry on record; neglect to discharge**

8           A mortgage shall ~~only~~ may be discharged by a written  
9 instrument acknowledging the satisfaction thereof and signed and  
10 acknowledged by the mortgagee or by ~~his executor, administrator~~  
11 the mortgagee's duly authorized officer or agent, personal  
12 representative or assignee. The instrument shall must recite the  
13 name or identity of the mortgagee and mortgagor, or their  
14 successors in interest, ~~authenticated~~ and the record location of  
15 the mortgage discharged. The instrument, when recorded, shall  
16 have has the same effect as a deed of release duly acknowledged  
17 and recorded. ~~If a mortgagee or his executor, administrator or~~  
18 ~~assignee, after full performance of the condition of his mortgage~~  
19 ~~whether before or after breach of such condition, refuses or~~  
20 ~~neglects for 7 days after being thereto requested to make such~~  
21 ~~discharge or to execute and acknowledge a deed of release of the~~  
22 ~~mortgage, he shall be punished by a fine of not less than \$10 nor~~  
23 ~~more than \$50, to be recovered in a civil action.~~

24  
25           The mortgagee or the mortgagee's successor in interest no  
26 later than 30 days after receipt of full performance of the  
27 condition of the mortgage, whether before or after breach of such  
28 condition, shall cause the instrument discharging the mortgage to  
29 be recorded in the registry of deeds where the mortgage is  
30 recorded.

31  
32           If the mortgagee, or the mortgagee's successor in interest,  
33 fails to so record the instrument within the 30-day period, the  
34 mortgagee or the mortgagee's successor in interest shall pay to  
35 the mortgagor or the mortgagor's successor in interest, interest  
36 in an amount equal to the rate of interest in effect on the day  
37 prior to receipt of full performance of the mortgage on the  
38 original principal amount of the mortgage from the date of  
39 receipt of full performance to the date of recording of the  
40 instrument of discharge.

41  
42           If the mortgagee or the mortgagee's successor in interest  
43 fails to remit this amount within 7 days of demand by the  
44 mortgagor or the mortgagor's successor in interest, the mortgagor  
45 or the mortgagor's successor in interest may recover this amount  
46 by civil action and the mortgagor or the mortgagor's successor in  
47 interest may charge a reasonable attorney's fee that must be  
48 added to the amount owed by the mortgagee or the mortgagee's  
49 successor in interest, as long as the sum has actually been paid  
50 in full or partial discharge of an attorney's fee.

2 All discharges of recorded mortgages, attachments or liens  
of any nature shall ~~must~~ be recorded by a written instrument, and  
4 except for termination statements filed pursuant to Title 11,  
section 9-404, acknowledged in same manner as other instruments  
6 presented for record and no such discharges shall ~~may~~ be  
permitted by entry in the margin of the instrument to be  
8 discharged.

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## SUMMARY

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This bill requires a mortgagee, or the mortgagee's successor  
14 in interest, to record the discharge of a mortgage within 30 days  
after receipt of full payment of the mortgage. A mortgagee who  
16 fails to do so is subject to a penalty based on the original  
amount of the mortgage plus an attorney's fee.  
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