

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1012

H.P. 748

House of Representatives, March 10, 2011

An Act To Require a Mortgagee To Provide the Original Release of Mortgage to the Mortgagor after the Release Is Recorded

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative RICHARDSON of Warren.
Cosponsored by Representative: STRANG BURGESS of Cumberland.

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

Sec. 1. 33 MRSA §551, 2nd ¶, as enacted by PL 1999, c. 230, §1 and affected by §2, is amended to read:

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. Within 30 days after recording the release of mortgage, the mortgagee shall send the release by certified mail, return receipt requested, to the mortgagor's address as listed in the mortgage agreement or to an address specified in writing by the mortgagor for this purpose. 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. If the release is not sent by certified mail, return receipt requested, to the mortgagor's address as listed in the mortgage agreement or to an address specified in writing by the mortgagor for this purpose within 30 days after the release is recorded, the mortgagee is liable to an aggrieved party for damages equal to exemplary damages of \$500. The mortgagee is also liable for court costs and reasonable attorney's fees in any successful action to enforce the liability imposed under this paragraph. The mortgagee may charge the mortgagor for any recording fees incurred in recording the release of mortgage and any postage fees incurred in sending the release to the mortgagor.

SUMMARY

This bill requires that, within 30 days after recording a release of a mortgage, the mortgagee must send the release by certified mail, return receipt requested, to the mortgagor's address as listed in the mortgage or to an address specified by the mortgagor for this purpose. A mortgagee who fails to provide the release to the mortgagor in the manner specified is liable to an aggrieved party for damages equal to exemplary damages of \$500.