

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4412-02  
Bill No.: HB 1717  
Subject: Banks and Financial Institutions; Business and Commerce; Property, Real and Personal  
Type: Original  
Date: March 20, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Office of State Courts Administrator** assume there will be no fiscal impact on the Courts.

Officials from the **Department of Insurance** and the **Department of Economic Development - Division of Finance, Division of Credit Unions, and Division of Professional Registration** state this proposal will have no fiscal impact on their respective agencies.

Officials from the **Boone County** and **Greene County Recorder of Deeds Offices** state this proposal will have no fiscal impact on their offices.

**A fiscal impact request was sent to the Recorder of Deeds Offices of Platte County, Laclede County, Jasper County and other counties who did not respond to a request for fiscal impact of the proposal.**

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Local Government

FY 2007

FY 2008

FY 2009

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposed legislation establishes the Missouri Uniform Residential Mortgage Satisfaction Act. In its main provisions, the proposal:

- (1) Defines "address for giving a notification," "document of rescission," "notification," "payoff statement," "security instrument," and "sign";
- (2) Allows a person recording a satisfaction or affidavit of satisfaction of a security instrument in error to record a document of rescission canceling the erroneous satisfaction. A recorded document of rescission will not affect the rights of a person that acquired interest in the property prior to it being recorded;
- (3) Allows an entitled person or his or her agent to request a payoff statement from the creditor including information on the payoff amount, applicable fees, payoff calculation, daily interest charge, and payment cutoff time. If the payoff statement amount was understated, the creditor can send a corrected payoff statement in a timely fashion. However, if the entitled person reasonably relied on the original payoff amount, the creditor cannot deny its accuracy;
- (4) Requires creditors to submit a satisfaction for recording stating that a secured obligation has been fully satisfied. A secured obligation cannot be fully performed until all lines of credit are terminated. If a satisfaction for recording is not submitted within 45 days of receipt, the creditor will be liable to the landowner for any actual damages caused by the failure plus an additional amount equal to the lesser of \$300 per day or 10% of the original principal amount of the security instrument;
- (5) Specifies that secured creditors are not liable if they established reasonable procedures to comply with their obligations, complied in good faith, and were unable to comply due to circumstances beyond their control;
- (6) Allows title insurance companies and licensed attorneys to serve as satisfaction agents;

DESCRIPTION (continued)

(7) Allows a satisfaction agent to submit an affidavit of satisfaction for the landowner if the secured creditor has not submitted for recording a satisfaction of a security instrument. The satisfaction agent will notify the secured creditor of his or her intent. An affidavit of satisfaction may not be completed if the secured obligation remains unsatisfied;

(8) Specifies the information that must be included in a satisfaction or an affidavit of satisfaction;

(9) Makes any satisfaction agent liable to the secured creditor for any actual damage caused by knowingly recording an affidavit of satisfaction erroneously and subject to enforcement of any criminal statute prohibiting this conduct and any punitive damages as a result; and

(10) Requires that consideration be given to the need to promote uniformity of law with respect to its subject matter among the states that enact a uniform residential satisfaction act. The act may modify, limit, and supercede the Federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001, but may not modify, limit, or supercede Section 101(c) of the federal act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any notice described in Section 103(b) of the federal act, 15 U.S.C. Section 7003(b).

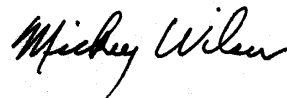
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

**SOURCES OF INFORMATION**

Office of State Courts Administrator  
Department of Economic Development  
    Division of Finance  
    Division of Credit Unions  
Department of Insurance  
County Recorders  
    Boone County  
    Greene County

**NOT RESPONDING**

**County Recorders**  
    **Laclede County**  
    **Jasper County**  
    **Platte County**  
    **Other County Recorders**



Mickey Wilson, CPA  
Director  
March 20, 2006