

HB 1717 -- Missouri Uniform Residential Mortgage Satisfaction Act

Sponsor: Flook

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

(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;

(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).