

**UNIFORM RESIDENTIAL MORTGAGE  
SATISFACTION ACT\***

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NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS

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**UNIFORM RESIDENTIAL MORTGAGE  
SATISFACTION ACT**

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SATISFACTION ACT**

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# UNIFORM RESIDENTIAL MORTGAGE SATISFACTION ACT

## [ARTICLE] 1

### DEFINITIONS AND GENERAL PROVISIONS

**SECTION 101. SHORT TITLE.** This [act] may be cited as the Uniform Residential Mortgage Satisfaction Act.

**SECTION 102. DEFINITIONS.** In this [act]:

(1) “Address for giving a notification” means, for the purpose of a particular type of notification, the most recent address provided in a document by the intended recipient of the notification to the person giving the notification. If the person giving the notification knows of a more accurate address, the term means that address.

(2) “Day” means calendar day.

(3) “Document” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(4) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(5) “Entitled person” means a person liable for payment or performance of the obligation secured by the real property described in a security instrument or the landowner.

(6) “Good faith” means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(7) “Landowner” means a person that, before foreclosure, has the right of redemption in the real property described in a security instrument. The term does not include a person that holds only a lien on the real property.

(8) “Notification” means a document containing information required under this [act] and signed by the person required to provide the information.

(9) “Organization” means a person other than an individual.

(10) “Payoff amount” means the sum necessary to satisfy a secured obligation.

(11) “Payoff statement” means a document containing the information specified in Section 201(d).

(12) “Person” means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(13) “Recording data” means the date and [book and page number] [document number] that indicate where a document is recorded in the appropriate governmental office under [the recording act of this state].

(14) “Residential real property” means real property that is used primarily for personal, family, or household purposes and is improved by one to four dwelling units.

(15) “Secured creditor” means a person that holds or is the beneficiary of a security interest or that is authorized both to receive payments on behalf of a person that holds a security interest and to record a satisfaction of the security instrument upon receiving full performance of the secured obligation. The term does not include a trustee under a security instrument.

(16) “Secured obligation” means an obligation the payment or performance of which is secured by a security interest.

(17) “Security instrument” means an agreement, however denominated, that creates or provides for a security interest, whether or not it also creates or provides for a lien on personal property.

(18) “Security interest” means an interest in residential real property located in this state, created by a security instrument, securing payment or performance of an obligation.

(19) “Sign” means, with present intent to adopt or accept a document:

(A) to execute or adopt a tangible symbol; or

(B) to attach to or logically associate with the document an electronic sound, symbol, or process.

(20) “State” means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(21) “Submit for recording” means to deliver, with required fees and taxes, a document sufficient to be recorded under this [act], to the appropriate governmental office under [the recording act of this state].

**SECTION 103. NOTIFICATION: MANNER OF GIVING AND EFFECTIVE DATE.**

(a) A person gives a notification by:

(1) depositing it with the United States Postal Service or with a commercially reasonable delivery service, properly addressed to the recipient’s address for giving a notification, with first-class postage or cost of delivery provided for;

(2) sending it by facsimile transmission, electronic mail, or other electronic transmission to the recipient’s address for giving a notification, but only if the recipient agreed to receive notification in that manner; or

(3) causing it to be received at the address for giving a notification within the time that it would have been received if given pursuant to paragraph (1).

(b) A notification is effective:

(1) the day after it is deposited with a commercially reasonable delivery service for overnight delivery;

(2) three days after it is deposited with the United States Postal Service, first-class mail with postage prepaid, or with a commercially reasonable delivery service for delivery other than by overnight delivery;

(3) the day it is given, if given pursuant to subsection (a)(2); or

(4) the day it is received, if given by a method other than as provided in subsection (a)(1) or (2).

[(c) If this [act] or a notification given pursuant to this [act] requires performance on or by a certain day and that day is a Saturday, Sunday, or legal holiday under the laws of this state or the United States, the performance is sufficient if performed on the next day that is not a Saturday, Sunday, or legal holiday.]

**SECTION 104. DOCUMENT OF RESCISSION: EFFECT; LIABILITY FOR WRONGFUL RECORDING.**

(a) In this section, “document of rescission” means a document stating that an identified satisfaction or affidavit of satisfaction of a security instrument was recorded erroneously, the secured obligation remains unsatisfied, and the security instrument remains in force.

(b) If a person records a satisfaction or affidavit of satisfaction of a security instrument in error, the person may execute and record a document of rescission. Upon recording, the document rescinds an erroneously recorded satisfaction or affidavit.

(c) A recorded document of rescission has no effect on the rights of a person that:

(1) acquired an interest in the real property described in a security instrument after the recording of the satisfaction or affidavit of satisfaction of the security instrument and before the recording of the document of rescission; and

(2) would otherwise have priority over or take free of the lien created by the security instrument under [the recording act of this state].

(d) A person that erroneously or wrongfully records a document of rescission is liable to any person injured thereby for the actual loss caused by the recording and reasonable attorney’s fees and costs.

**[ARTICLE] 2**  
**SECURED CREDITOR TO RECORD SATISFACTION;**  
**LIABILITY FOR FAILURE**

**SECTION 201. PAYOFF STATEMENT: REQUEST AND CONTENT.**

(a) An entitled person or an authorized agent of an entitled person may give to the secured creditor a notification requesting a payoff statement for a specified payoff date not more than 30 days after the notification is given. The notification must contain:

- (1) the entitled person's name;
- (2) if given by a person other than an entitled person, the name of the person giving the notification and a statement that the person is an authorized agent of the entitled person;
- (3) a direction whether the statement is to be sent to the entitled person or that person's authorized agent;
- (4) the address to which the creditor must send the statement; and
- (5) sufficient information to enable the creditor to identify the secured obligation and the real property encumbered by the security interest.

(b) If a notification under subsection (a) directs the secured creditor to send the payoff statement to a person identified as an authorized agent of the entitled person, the secured creditor must send the statement to the person, unless the secured creditor knows that the entitled person has not authorized the request.

(c) Within 10 days after the effective date of a notification that complies with subsection (a), the secured creditor shall issue a payoff statement and send it to the entitled person or the authorized agent in the manner prescribed in Section 103 for giving a notification. A secured creditor that sends a payoff statement to the entitled person or the authorized agent may not claim that the notification did not satisfy subsection (a). If the recipient once held an interest in the secured obligation but has since assigned that interest, the recipient need not send a payoff statement but shall give a notification of the assignment to the entitled person or the authorized agent providing the name and address of the assignee.

(d) The payoff statement must contain:

(1) the date on which it was prepared and the payoff amount as of that date, including the amount by type of each fee, charge, or other sum included within the payoff amount;

(2) the information reasonably necessary to calculate the payoff amount as of the requested payoff date, including the per diem interest amount; and

(3) the payment cutoff time, if any, the address or place where payment must be made, and any limitation as to the authorized method of payment.

(e) A secured creditor may not qualify a payoff amount or state that it is subject to change before the payoff date unless the payoff statement provides information sufficient to permit the entitled person or that person's authorized agent to request an updated payoff amount at no charge and to obtain that updated payoff amount during the secured creditor's normal business hours on the payoff date or the immediately preceding business day.

(f) A secured creditor must provide upon request one payoff statement without charge during any six-month period. A secured creditor may charge a fee of [\$25] for each additional request for a payoff statement during that six-month period. However, a secured creditor may not charge a fee for providing or delivering an updated payoff amount under subsection (e) or a corrected payoff statement under Section 202(a).

(g) Unless the security instrument provides otherwise, a secured creditor is not required to send a payoff statement by means other than first-class mail. If the creditor agrees to send a statement by another means, it may charge a reasonable fee for complying with the requested manner of delivery.

(h) A secured creditor may include in a payoff statement the amount of any fees authorized under this section not included in the payoff amount.

(i) Except as otherwise provided in Section 205, if a secured creditor to whom a notification has been given pursuant to subsection (a) does not send a timely payoff statement that substantially complies with subsection (d), the creditor is liable to the entitled person for the actual loss caused by the failure plus [\$500]. A creditor that fails to pay the damages provided in this subsection within 30 days after receipt of a notification demanding payment may also be liable for reasonable attorney's fees and costs.



**SECTION 202. UNDERSTATED PAYOFF STATEMENT: CORRECTION; EFFECT.**

(a) If a secured creditor determines that the payoff amount it provided in a payoff statement was understated, the creditor may send a corrected payoff statement. If the entitled person or that person's authorized agent receives and has a reasonable opportunity to act upon a corrected payoff statement before making payment, the corrected statement supersedes an earlier statement.

(b) A secured creditor that sends a payoff statement containing an understated payoff amount may not deny the accuracy of the payoff amount as against any person that reasonably and detrimentally relies upon the understated payoff amount.

(c) This [act] does not:

(1) affect the right of the secured creditor to recover any sum that it did not include in the payoff amount from any person liable for payment of the secured obligation; or

(2) limit any claim or defense that any person liable for payment of the secured obligation may have under law other than this [act].

**SECTION 203. SECURED CREDITOR TO SUBMIT SATISFACTION FOR RECORDING; LIABILITY FOR FAILURE.**

(a) A secured creditor shall submit for recording a satisfaction of a security instrument within 30 days after the creditor receives full payment or performance of the secured obligation. If a security instrument secures a line of credit or future advances, the secured obligation is fully performed only if, in addition to full payment, the secured creditor has received a notification requesting the creditor to terminate the line of credit or containing a statement sufficient to terminate the effectiveness of the provision for future advances in the security instrument.

(b) Except as otherwise provided in Section 205, a secured creditor that is required to submit a satisfaction of a security instrument for recording and fails to do so by the end of the period specified in subsection (a) is liable to the landowner for the actual loss caused by the failure.

(c) Except as otherwise provided in subsection (d) and in Section 205, a secured creditor that is required to submit a satisfaction of a security instrument for recording and fails to do so by the end of the period specified in subsection (a) is also liable to the landowner for [\$500] and any reasonable attorney's fees and court costs incurred if, after the expiration of the period specified in subsection (a):

(1) the landowner gives the creditor a notification, by any method authorized by Section 103 that provides proof of receipt, demanding that the creditor submit a satisfaction for recording, and

(2) the creditor does not submit a satisfaction for recording within 30 days after receipt of the notification.

(d) Subsection (c) does not apply if the secured creditor received full payment or performance of the secured obligation before the effective date of this [act].

#### **SECTION 204. FORM AND EFFECT OF SATISFACTION.**

(a) A document is sufficient to constitute a satisfaction of a security instrument if it:

(1) identifies the security instrument, the original parties to the security instrument, the recording data for the security instrument, and the office in which the security instrument is recorded;

(2) states that the person signing the satisfaction is the secured creditor;

(3) contains a legal description of the real property identified in the security instrument, but only if a legal description is necessary for a satisfaction to be properly indexed;

(4) contains language terminating the effectiveness of the security instrument; and

(5) is signed by the secured creditor and acknowledged as required by law for a conveyance of an interest in real property.

(b) The [appropriate governmental office under the recording act of this state] shall accept for recording a satisfaction document, unless:

(1) an amount equal to or greater than the applicable recording fees and taxes is not tendered;

(2) the document is submitted by a method or in a medium not authorized by the [appropriate governmental office under the recording act of this state]; or

(3) the document is not signed by the secured creditor and acknowledged as required by law for a conveyance of an interest in real property.

**SECTION 205. LIMITATION OF SECURED CREDITOR'S LIABILITY.** A secured creditor is not liable under this [act] if it:

(1) established a reasonable procedure to achieve compliance with its obligations under this [act];

(2) complied with that procedure in good faith; and

(3) was unable to comply with its obligations because of circumstances beyond its control.

**[ARTICLE] 3**  
**SATISFACTION BY AFFIDAVIT**

**SECTION 301. DEFINITION; ELIGIBILITY TO SERVE AS SATISFACTION AGENT; REGULATION OF SATISFACTION AGENTS.**

(a) In this [article], “title insurance company” means an organization authorized to conduct the business of insuring titles to real property in this state.

(b) The following may serve as a satisfaction agent under this [article]:

(1) a title insurance company, acting directly or through an agent authorized to sign and submit for recording an affidavit of satisfaction; or

(2) an attorney licensed to practice law in this state and in good standing.

[(c) The [name of statewide governmental agency] may establish by regulation registration, bonding, and other standards for conducting business as a satisfaction agent.]

**SECTION 302. AFFIDAVIT OF SATISFACTION: NOTIFICATION TO SECURED CREDITOR.**

(a) If a secured creditor has not submitted for recording a satisfaction of a security instrument creating a security interest in residential real property within the period specified in Section 203(a), a satisfaction agent acting for and with authority from the landowner may give the secured creditor notification that the satisfaction agent intends to submit for recording an affidavit of satisfaction of the security instrument. The notification must include:

(1) the identity and mailing address of the satisfaction agent;

(2) identification of the security instrument for which a recorded satisfaction is sought, including the names of the original parties to, and the recording data for, the security instrument;

(3) a statement that the satisfaction agent has reasonable grounds to believe that:

(A) the real property described in the security instrument is residential real property;

(B) the person to which the notification is being given is the secured creditor; and

(C) the secured creditor has received full payment or performance of the secured obligation;

(4) a statement that a satisfaction of the security instrument does not appear of record;

(5) a statement that the satisfaction agent, acting with the authorization of the owner of the real property described in the security instrument, intends to sign and submit for recording an affidavit of satisfaction of the security instrument unless, within 30 days after the effective date of the notification:

(A) the secured creditor submits a satisfaction of the security instrument for recording;

(B) the satisfaction agent receives from the secured creditor a notification stating that the secured obligation remains unsatisfied; or

(C) the satisfaction agent receives from the secured creditor a notification stating that the secured creditor has assigned the security instrument and identifying the name and address of the assignee.

(b) A notification under subsection (a) must be sent by a method authorized by Section 103 that provides proof of receipt to the secured creditor's address for giving a notification for the purpose of requesting a payoff statement or, if the satisfaction agent cannot ascertain that address, to the secured creditor's address for notification for any other purpose.

(c) This [act] does not require a person to agree to serve as a satisfaction agent.

**SECTION 303. AFFIDAVIT OF SATISFACTION: AUTHORIZATION TO SUBMIT FOR RECORDING.**

(a) Subject to subsections (b) and (c), a satisfaction agent may sign and submit for recording an affidavit of satisfaction of a security instrument complying with Section 304 if:

(1) the secured creditor has not, to the knowledge of the satisfaction agent, submitted for recording a satisfaction of a security instrument within 30 days after the effective date of a notification complying with Section 302(a); or

(2) the secured creditor authorizes the satisfaction agent to do so.

(b) A satisfaction agent may not sign and submit for recording an affidavit of satisfaction of a security instrument if it has received a notification under Section 302(a)(5)(B) stating that the secured obligation remains unsatisfied.

(c) If a satisfaction agent receives a notification under Section 302(a)(5)(C) stating that the security instrument has been assigned, the satisfaction agent may not submit for recording an affidavit of satisfaction of the security instrument without:

(1) giving a notification of intent to submit for recording an affidavit of satisfaction to the identified assignee at the identified address; and

(2) complying with Section 302 with respect to the identified assignee.

#### **SECTION 304. AFFIDAVIT OF SATISFACTION: FORM.**

(a) An affidavit of satisfaction of a security instrument must:

(1) identify the original parties to the security instrument, the secured creditor, the recording data for the security instrument, and, if necessary for proper indexing of the affidavit, a legal description of the real property identified in the security instrument;

(2) state the basis upon which the person signing the affidavit is a satisfaction agent;

(3) state that the person signing the affidavit has reasonable grounds to believe that the real property described in the security instrument is residential real property;

(4) state that the person signing the affidavit has reasonable grounds to believe that the secured creditor has received full payment or performance of the secured obligation;

(5) state that the person signing the affidavit, acting with the authority of the owner of the real property described in the security instrument, gave notification to the secured creditor of its intention to sign and submit for recording an affidavit of satisfaction;

(6) describe the method by which the person signing the affidavit gave notification in compliance with this [act];

(7) state that:

(A) more than 30 days have elapsed since the effective date of that notification, and the person signing the affidavit:

(i) has no knowledge that the secured creditor has submitted a satisfaction for recording; and

(ii) has not received a notification that the secured obligation remains unsatisfied; or

(B) the secured creditor authorized the person signing the affidavit to sign and record an affidavit of satisfaction; and

(8) be signed and acknowledged as required by law for a conveyance of an interest in real property.

(b) No particular phrasing of an affidavit of satisfaction is required. The following form of affidavit, when properly completed, is sufficient to satisfy the requirements of subsection (a):

“ \_\_\_\_\_

(Date of Affidavit)

### **AFFIDAVIT OF SATISFACTION**

The undersigned hereby states as follows:

1. I am: [check appropriate box]

an officer or a duly appointed agent of  [Name of title insurance company]  (the “Company”), which is authorized to transact the business of insuring titles to interests in real property in this state, and I have been authorized by the Company to sign and submit for recording an affidavit of satisfaction.

an attorney in good standing and licensed to practice law in this state.

2. I am signing this Affidavit of Satisfaction to evidence full payment or performance of the obligations secured by real property covered by the following security instrument (the “security instrument”) currently held by \_\_\_\_\_ (the “secured creditor”):

Title of security instrument:

Original parties to security instrument:

County and state of recording:

Recording data for security instrument:

[Legal description, if necessary for proper indexing:]

3. I have reasonable grounds to believe that:
  - a. the secured creditor has received full payment or performance of the balance of the obligations secured by the security instrument; and
  - b. the real property described in the security instrument constitutes residential real property.
4. With the authorization of the owner of the real property described in the security instrument, I gave notification to the secured creditor by \_\_\_\_\_ [method authorized by Section 103 that provides proof of receipt] \_\_\_\_\_ that I would sign and record an affidavit of satisfaction of the security instrument if, within 30 days after the effective date of the notification, the secured creditor did not submit a satisfaction of the security interest for recording or give notification that the secured obligation remains unsatisfied.
5. [check appropriate box]
  - The 30-day period identified in paragraph 4 has elapsed, I have no knowledge that the secured creditor has submitted a satisfaction for recording, and I have not received notification that the secured obligation remains unsatisfied.
  - The secured creditor responded to the notification in paragraph 4 by authorizing me to execute and record this affidavit of satisfaction.

\_\_\_\_\_  
 (Signature of Satisfaction Agent)

\_\_\_\_\_  
 (Notarization)

**SECTION 305. AFFIDAVIT OF SATISFACTION: EFFECT.**

- (a) Upon recording, an affidavit substantially complying with the requirements of Section 304 constitutes a satisfaction of the security instrument described in the affidavit.
- (b) The recording of an affidavit of satisfaction of a security instrument does not by itself extinguish any liability of a person for payment or performance of the secured obligation.
- (c) The [appropriate governmental office under the recording act of this state] may not refuse to accept for recording an affidavit of satisfaction of a security instrument unless:
  - (1) an amount equal to or greater than the applicable recording fees and taxes is not tendered;



(2) the affidavit is submitted by a method or in a medium not authorized by the [appropriate governmental office under the recording act of this state]; or

(3) the affidavit is not signed by the satisfaction agent and acknowledged as required by law for a conveyance of an interest in real property.

**SECTION 306. LIABILITY OF SATISFACTION AGENT.**

(a) Except as otherwise provided in subsection (b), a satisfaction agent that records an affidavit of satisfaction of a security instrument erroneously or with knowledge that the statements contained in the affidavit are false is liable to the secured creditor for any actual loss caused by the recording and reasonable attorney's fees and costs.

(b) A satisfaction agent that records an affidavit of satisfaction of a security instrument erroneously is not liable if the agent properly complied with the requirements of this [article] and the secured creditor did not respond in a timely manner to the notification pursuant to Section 302(a)(5).

(c) If a satisfaction agent records an affidavit of satisfaction of a security instrument with knowledge that the statements contained in the affidavit are false, this section does not:

- (1) preclude a court from awarding punitive damages on account of the conduct;
- (2) preclude the secured creditor from proceeding against the satisfaction agent under law of this state other than this [act]; or
- (3) preclude the enforcement of any criminal statute prohibiting the conduct.

**[ARTICLE] 4**  
**MISCELLANEOUS PROVISIONS**

**SECTION 401. UNIFORMITY OF APPLICATION AND CONSTRUCTION.** In applying and construing this Uniform Act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

**SECTION 402. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.** This [act] modifies, limits, and supersedes the Federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 *et seq.*, except that nothing in this [act] modifies, limits, or supersedes sections 7001(c) and 7004 of that act or authorizes electronic delivery of any of the notices described in section 7003(b) of that act.

**SECTION 403. EFFECTIVE DATE.** This [act] takes effect on \_\_\_\_\_.

**SECTION 404. REPEALS.** The following acts are repealed: [List statutes to be specifically repealed.]