

HOUSE RESEARCH

Bill Summary

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Subject: Mortgage Release Certificate Language

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Overview

The bill affects mortgage release certificates prepared by title insurance companies.

- 1 **Definitions.** Defines "assignment of rents and profits" to mean assigning any of the benefits under a lease or tenancy on mortgaged property to serve as additional security for the mortgage. Defines "mortgage" to include an assignment of rents and profits. Eliminates the maximum size mortgage covered by this section.
Defines "partial release" to mean the release of certain parcels of land from a mortgage.
Adds a new possible meaning for "payoff statement:" the part of the unpaid loan balance secured by the mortgage that is required to be paid in order to get a partial release.
- 2 **Contents.** Amends the subdivision on contents of a mortgage release certificate. If applicable, the certificate must cover the date of assignment of rents and profits; date it was recorded; its volume and page or document number where filed; and similar information for the last recorded assignment.
- 3 **Recording.** Adds a reference to release of assignments and profits in the subdivision on recording certificates of mortgage release.
- 4 **Application.** Changes size of covered mortgages in the statute from \$500,000 to \$1,000,000.
- 5 **Satisfaction, release, and assignment.** Provides for when an assignment of rents and profits expires. States that an assignment of a mortgage is sufficient to assign rents and profits that secure the mortgage, without a separate assignment of the rents and profits.
- 6 **Application.** Sections 1 to 5 apply to mortgages and assignments of rents and profits.