

SESSION OF 2005

## **SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2125**

As Amended by House Committee of the Whole

### **Brief\***

HB 2125 concerns the entry of satisfaction and related fee for mortgages on real property. The bill provides for clarification of payment of the required fee when the satisfaction or cause satisfaction of a mortgage is entered into the record. The provision allows that the fee may be collected from the mortgagor pursuant to KSA 16-207.

### **Background**

The bill was requested by the Kansas Bankers Association (KBA) to provide clarification to existing law to alleviate confusion within the banking industry, title insurance industry, and borrowers regarding mortgage release fees. The KBA representative also referenced an Attorney General's Opinion (94-143) and indicated that the opinion allows that banks are presently allowed to assess borrowers for mortgage fees. The Heartland Community Bankers Association supported the bill and indicated that the bill would provide clear statutory authority for lenders to collect from the borrower the actual fee they pay for releasing a mortgage.

The House Committee of the Whole amendment provides that the failure to pay the required fee does not relieve the mortgagee or mortgagee's assignee from entering for satisfaction of the mortgage.

The fiscal note prepared by the Division of the Budget on the bill as introduced indicates that the bill would not have an effect on state revenues or expenditures, but would have an effect on mortgage-related businesses and individual property buyers.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>