

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1194

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1194

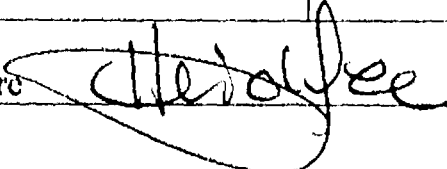
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1194

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 17, 2001

Tape Number	Side A	Side B	Meter #
1	X	X	0-15.04 & 36.45-41.55
Committee Clerk Signature 			

Minutes:

Rep Larry Klemin: **written testimony sponsoring bill.**

Rep Froseth: What documents are necessary to show that the loan was paid off to anybody that received that certificate?

Rep Klemin: We would have two documents. One would be the designation of that agent and the second would be that certificate itself.

Rep Klein: Does this bill address who pays these various fees?

Rep Klemin: No

Rep Ekstrom: Does this bill counter act the land department bill?

Rep Klemin: No and has nothing to do with mortgage.

James Horner: *ND Land Title Assoc.* **Written testimony in favor of bill**

Rep Kelsner: Will you, the Title company, have the liability either way?

Horner: Yes

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House Industry, Business and Labor Committee
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Rep Pietsch: Could your company become an agent for these out of state lenders?

Horner: No, we're just the agent of the certificate.

Chuck McKay: *Farm Credit Services* **Written testimony in opposition of bill** We are proposing an amendment and with the amendment we will support the bill.

Chairman Berg: Does this apply only to residential?

McKay: This could apply to any mortgage.

Chairman Berg: Mr. Horner how do you feel about the amendment?

Horner: It causes us no concern.

Chairman Berg: We'll now close the hearing on HB 1194.

Rep Klein: I move to accept the amendments.

Rep Lemieux: I second.

Chairman Berg: All in favor? All opposed? Motion carries.

Rep Ekstrom: I move a do pass as amended.

Rep Klein: I second.

15 yeas, 0 nays, 0 absent Rep Froseth Carries

PROPOSED AMENDMENTS TO HB # 1194

Page 1, line 8, remove "on", and after "lien" insert "governed by the short term mortgage redemption act as provided in chapter 32-19.1 covering"

Date: 1-17-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Click here to type Bill/Resolution No. 1194

House Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 10294.0201

Action Taken Do Pass w/7 Amendments

Motion Made By Ekstrom Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstrom	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich	✓		Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 15 No 0

Absent 0

Floor Assignment Froseth

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 18, 2001 10:11 a.m.

Module No: HR-08-1190
Carrier: Froseth
Insert LC: 10/94.0201 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1194: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1194 was placed on the Sixth order on the calendar.

Page 1, line 8, replace "on" with "governed by the Short-term Mortgage Redemption Act as provided in chapter 32-19.1 covering"

Renumber accordingly

A handwritten signature in black ink, appearing to be the initials 'RB' or similar, located in the center-right of the page.

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1194

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1194

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 21, 2001.

Tape Number	Side A	Side B	Meter #
1	x		53.2 to end
		x	0 to 8.9
2	x		9.6 to 10.9
Committee Clerk Signature <i>Doro E. Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on HB 1194 relating to a certificate of release of a mortgage.

Representative Lawrence Klemin, District 47. Co sponsor. Written testimony attached. Intent of the bill is to remedy the situation where a mortgage has been paid off but it is difficult to obtain a formal satisfaction of the mortgage to record with the county register of deeds. This bill will allow the title insurance agent to record a certificate equivalent to a formal satisfaction of the mortgage.

Senator Epegard: Would this create a cloud on the title?

Rep. Klemin: No, because, page 3 line 26, "certificate operates as release of the mortgage".

Jim Horner, ND Land Title Assn., in favor. This is a necessary bill. Written testimony Attached. Urge do pass.

Senator Mathern: Do you require proof that the mortgage was really paid?

Page 2
Senate Industry, Business and Labor Committee
Bill/Resolution Number HB 1194
Hearing Date February 21, 2001.

J Horner: Usually we verify money was received.

Senator Espegard: Doesn't the consumer still need the release?

J Horner: No this would release the mortgage, the consumer would want the note back.

We would require definitive proof payment was made before we issue one of these. Its hard to get payoffs in writing within reasonable time.

Claus Lembke, ND Assn. Realtors, Urge do pass.

Malcolm Brown, on behalf of State Bar Assn., Real Property Section, in support of this bill.

No opposing testimony. Hearing closed.

Tape 2-A-9.6 to 10.9.

Discussion held. **Senator Espegard:** Motion: do pass. **Senator Krebsbach:** Second.

Roll call vote: 7 yes; 0 no. Motion carried. Floor assignment: **Senator Mathern.**

REPORT OF STANDING COMMITTEE (410)
February 21, 2001 1:46 p.m.

Module No: SR-32-4227
Carrier: D. Mathern
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1194, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1194 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1194

TESTIMONY OF REP. LAWRENCE R. KLEMIN
HOUSE INDUSTRY, BUSINESS AND LABOR COMMITTEE
HOUSE BILL NO. 1194
JANUARY 17, 2001

Mr. Chairman and Members of the Committee:

I am Lawrence R. Klemin, Representative from District 47 in Bismarek. I am appearing before you today in support of House Bill No. 1194. HB 1194 is based on law passed in the State of Minnesota in 1995 to address the situation where mortgage loans have been paid off to the holder of a mortgage in the secondary mortgage market, but it is subsequently difficult to obtain a formal satisfaction of the mortgage to record with the County Register of Deeds.

In recent years, mainly with home loans, there has been an expanding market for mortgage documents with investors in mortgages on the secondary mortgage market. Mortgage loans are closed locally, but are then packaged for sale to out of state mortgage bankers. These mortgages are then frequently sold by one mortgage banker to another mortgage banker, often with the servicing of the loan being retained by a totally different entity from the holder of the mortgage.

In the typical loan closing, a local escrow agent, usually an agent for a national title insurance company, handles all aspects of the loan closing, including the payoff of the existing loan. A payoff statement is obtained from the servicer of the loan, and payment is then sent in the amount that is owing. However, it may be months before a formal satisfaction of the mortgage is received from the holder of the mortgage. Sometimes there are complications because the holder of the mortgage has merged with another entity or has gone out of business.

HB 1194 will remedy the problem by permitting the title insurance agent that handled the loan closing and the payoff of the mortgage to record a certificate stating that the mortgage has been paid. This certificate would then be equivalent to a formal satisfaction of the mortgage by the holder of the mortgage. As far as we are aware, this procedure has worked well in Minnesota.

I urge your approval of HB 1194. Thank you very much.

