

57-1-42 Liability of title insurer or title agent.

A title insurer or title agent purporting to act under the provisions of Section 57-1-40 who reconveys a trust deed or releases a mortgage is liable to the beneficiary or mortgagee for the damages suffered as a result of the reconveyance if:

- (1) the obligation secured by the trust deed or mortgage:
 - (a) has not been fully paid; or
 - (b) has not been partially paid in an amount agreed to by the beneficiary, mortgagee, or servicer as sufficient to release the mortgage or reconvey the trust deed; and
- (2)
 - (a) the title insurer or title agent failed to comply with the provisions of Sections 57-1-40 and 57-1-41; or
 - (b) the title insurer or title agent acted with gross negligence or in bad faith in reconveying the trust deed.

Amended by Chapter 403, 2013 General Session