

**RECONVEYANCE OF TRUST DEED OR  
RELEASE OF MORTGAGE**

2002 GENERAL SESSION

STATE OF UTAH

**Sponsor: Thomas V. Hatch**

**This act amends Title 57, Real Estate. The act adds a definition of "deliver." The act eliminates the requirement that a title insurer or title agent wait 30 days after payment in full of an obligation secured by a trust deed or mortgage to give to the beneficiary, mortgagee, or loan servicer a notice of intent to release or reconvey. This act makes technical corrections.**

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**57-1-39**, as enacted by Chapter 185, Laws of Utah 1995

**57-1-40**, as enacted by Chapter 185, Laws of Utah 1995

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **57-1-39** is amended to read:

**57-1-39. Definitions.**

As used in Sections 57-1-40 and 57-1-44:

(1) "Beneficiary" means the record owner of the beneficiary's interest under a trust deed, including successors in interest.

(2) "Deliver" or "delivered" means:

(a) by overnight delivery by a reputable carrier; or

(b) by United States certified mail or express mail.

~~(2)~~ (3) "Mortgage" is as described in Section 57-1-14.

~~(3)~~ (4) "Mortgagee" means the record owner of the mortgagee's interest under a mortgage, including a successor in interest.

~~(4)~~ (5) "Satisfactory evidence of the full payment of the obligation secured by a trust



28 deed or mortgage" means ~~h [the original cancelled check or a copy of a check, including a voucher~~  
 29 ~~copy, payable to the beneficiary, mortgagee, or a servicer, and reasonable documentary evidence~~  
 30 ~~that the check was intended to effect full payment under the trust deed or an encumbrance upon~~  
 31 ~~the property covered by the trust deed.]~~ WRITTEN INFORMATION ADEQUATE, IN THE OPINION OF A  
 31a TITLE INSURER OR TITLE AGENT, TO ESTABLISH THAT THE OBLIGATION SECURED BY THE TRUST  
 31b DEED OR MORTGAGE HAS BEEN PAID IN FULL. ~~h~~

32 ~~[(5)]~~ (6) "Servicer" means a person or entity that collects loan payments on behalf of a  
 33 beneficiary or mortgagee.

34 ~~[(6)]~~ (7) "Title agent" means a title insurance agent licensed as an organization under Title  
 35 31A, Chapter 23, Part II, Licensing of Agents, Brokers and Consultants.

36 ~~[(7)]~~ (8) "Title insurer" means a title insurer authorized to conduct business in the state  
 37 under Title 31A, Chapter 23, Part II, Licensing of Agents, Brokers and Consultants.

38 ~~[(8)]~~ (9) "Trust deed" is as defined in Subsection 57-1-19(3).

39 Section 2. Section **57-1-40** is amended to read:

40 **57-1-40. Reconveyance of trust deed or release of mortgage -- Procedures -- Forms.**

41 (1) A title insurer or title agent may reconvey a trust deed or release a mortgage in  
 42 accordance with the provisions of Subsections (2) through (6) if:

43 (a) the obligation secured by the trust deed or mortgage has been fully paid by the title  
 44 insurer or title agent; or

45 (b) the title insurer or title agent possesses satisfactory evidence of the full payment of the  
 46 obligation secured by a trust deed or mortgage.

47 (2) A title insurer or title agent may reconvey a trust deed or release a mortgage under  
 48 Subsection (1) regardless of whether the title insurer or title agent is named as a trustee under a  
 49 trust deed or has the authority to release a mortgage.

50 (3) ~~[No sooner than 30 days after payment in full of the obligation secured by a trust deed~~  
 51 ~~or mortgage]~~ At the time the obligation secured by the trust deed or mortgage is paid in full, or at  
 52 any time thereafter, the title insurer or title agent shall deliver a notice of intent to release or  
 53 reconvey and a copy of the release or reconveyance to be recorded, as described in Subsection (4),  
 54 to the beneficiary, mortgagee, or servicer~~[, or send by certified mail to the beneficiary, mortgagee,~~  
 55 ~~or servicer]~~ at:

56 (a) the address specified in the trust deed or mortgage~~[, at]~~;

57 (b) any address for the beneficiary or mortgagee specified in the last recorded assignment  
 58 of the trust deed or mortgage~~[, and at]~~;

59 (c) any address for the beneficiary, mortgagee, or servicer specified in a request for notice  
60 recorded under Section 57-1-26[~~, a notice of intent to release or reconvey and a copy of the release~~  
61 ~~or reconveyance to be recorded as provided in Sections (4) and (5).]; or~~

62 (d) the address shown on any payoff statement received by the title insurer or agent from  
63 the beneficiary, mortgagee, or servicer.

64 (4) The notice of intent to release or reconvey shall contain the name of the beneficiary or  
65 mortgagee and the servicer if loan payments on the trust deed or mortgage are collected by a  
66 servicer, the name of the title insurer or title agent, the date, and be substantially in the following  
67 form:

68 NOTICE OF INTENT TO RELEASE OR RECONVEY

69 Notice is hereby given to you as follows:

70 1. This notice concerns the (trust deed or mortgage) described as follows:

71 (Trustor or Mortgagor): \_\_\_\_\_

72 (Beneficiary or Mortgagee): \_\_\_\_\_

73 Recording information: \_\_\_\_\_

74 Entry Number: \_\_\_\_\_

75 Book Number: \_\_\_\_\_

76 Page Number: \_\_\_\_\_

77 2. The undersigned claims to have paid in full or possesses satisfactory evidence of the full  
78 payment of the obligation secured by the trust deed or mortgage described above.

79 3. The undersigned will fully release the mortgage or reconvey the trust deed described in  
80 this notice unless, within 60 days from the date stated on this notice, the undersigned has received  
81 by certified mail a notice stating that the obligation secured by the trust deed or mortgage has not  
82 been paid in full or that you otherwise object to the release of the mortgage or the reconveyance  
83 of the trust deed. Notice shall be mailed to the address stated on this form.

84 4. A copy of the (release of mortgage or reconveyance of trust deed) is enclosed with this  
85 notice.

86 (Signature of title insurer or title agent)

87 (Address of title insurer or title agent)

88 (5) (a) If, within 60 days from the day on which the title insurer or title agent delivered [or  
89 mailed] the notice of intent to release or reconvey in accordance with Subsections (3) and (4), **h A**

89a **RECONVEYANCE OF TRUST DEED OR RELEASE OF MORTGAGE IS NOT RECORDED, AND h** the

90 beneficiary, mortgagee, or servicer does not send by certified mail to the title insurer or title agent  
91 a notice that the obligation secured by the trust deed or mortgage has not been paid in full or that  
92 the beneficiary, mortgagee, or servicer objects to the release of the mortgage or reconveyance of  
93 the trust deed, the title insurer or title agent may execute, acknowledge, and record a reconveyance  
94 of a trust deed or release of a mortgage.

95 (b) A reconveyance of a trust deed under Subsection (5)(a) shall be in substantially the  
96 following form:

97 RECONVEYANCE OF TRUST DEED

98 (Name of title insurer or title agent), a (title insurer or title agent) authorized to conduct  
99 business in the state does hereby reconvey, without warranty, the following trust property located  
100 in (name of county) County, state of Utah, that is covered by a trust deed naming (name of trustor)  
101 as trustor, and (name of beneficiary) as beneficiary and was recorded on (date) in Book \_\_\_\_\_  
102 at Page \_\_\_\_\_ as Entry Number \_\_\_\_\_: (insert a description of the trust property.)

103 The undersigned title insurer or title agent certifies as follows:

104 1. The undersigned title insurer or title agent has fully paid the obligation secured by the  
105 trust deed or possesses satisfactory evidence of the full payment of the obligation secured by the  
106 trust deed.

107 2. [~~No sooner than 30 days after payment in full of the obligation secured by the trust deed,~~  
108 ~~the~~] In accordance with the requirements of Utah Code Annotated Subsections 57-1-40(3) and (4),  
109 the title insurer or title agent delivered [~~or sent by certified mail~~] to the beneficiary or servicer [~~at~~  
110 ~~the address specified in the trust deed, at any address for the beneficiary specified in the last~~  
111 ~~recorded assignment of the trust deed, and at any address for the beneficiary or servicer specified~~  
112 ~~in a request for notice recorded under Section 57-1-26~~], a notice of intent to release or reconvey  
113 and a copy of the reconveyance.

114 3. The **h TRUST DEED HAS NOT BEEN RECONVEYED AND THE h** title insurer or title agent  
114a did not receive, within 60 days from the day on which the  
115 title insurer or title agent delivered [~~or mailed~~] the notice of intent to release or reconvey, a notice  
116 from the beneficiary or servicer sent by certified mail that the obligation secured by the trust deed  
117 has not been paid in full or that the beneficiary or servicer objects to the reconveyance of the trust  
118 deed.

119 \_\_\_\_\_  
120 (Notarization)

\_\_\_\_\_ (Signature of title insurer or title agent)

121 (c) A release of a mortgage under Subsection (5)(a) shall be in substantially the following  
122 form:

123 RELEASE OF MORTGAGE

124 (Name of title insurer or title agent), a (title insurer or title agent) authorized to conduct  
125 business in the state does hereby release the mortgage on the following property located in (name  
126 of county) County, state of Utah, that is covered by a mortgage naming (name of mortgagor) as  
127 mortgagor, and (name of mortgagee) as mortgagee and was recorded on (date) in Book \_\_\_\_\_  
128 at Page \_\_\_\_\_ as Entry Number \_\_\_\_\_: (insert a description of the trust property.)

129 The undersigned title insurer or title agent certifies as follows:

130 1. The undersigned title insurer or title agent has fully paid the obligation secured by the  
131 mortgage or possesses satisfactory evidence of the full payment of the obligation secured by the  
132 mortgage.

133 2. ~~[No sooner than 30 days after payment in full of the obligation secured by the mortgage,~~  
134 ~~the] In accordance with the requirements of Utah Code Annotated Subsections 57-1-40(3) and (4),~~  
135 ~~the~~ title insurer or title agent delivered to the mortgagee ~~[or sent by certified mail to the mortgagee]~~  
136 or servicer ~~[at the address specified in the mortgage and at any address for the mortgagee specified~~  
137 ~~in the last recorded assignment of the mortgage,]~~ a notice of intent to release or reconvey and a  
138 copy of the release.

139 3. The **h** **MORTGAGE HAS NOT BEEN RELEASED AND THE h** title insurer or title agent did  
139a not receive, within 60 days from the day on which the  
140 title insurer or title agent delivered ~~[or mailed]~~ the notice of intent to release or reconvey, a notice  
141 from the mortgagee or servicer sent by certified mail that the obligation secured by the mortgage  
142 has not been paid in full or that the mortgagee or servicer objects to the release of the mortgage.

143 \_\_\_\_\_  
144 (Notarization) (Signature of title insurer or title agent)

145 (d) (i) A release of mortgage or reconveyance of trust deed that is executed and notarized  
146 in accordance with ~~[Subsections]~~ Subsection (5)(b) or (c) is entitled to recordation.

147 (ii) (A) Except as provided in Subsection (5)(d)(ii)(B), a reconveyance of a trust deed or  
148 release of a mortgage that is recorded under Subsection (5)(d)(i) is valid regardless of any  
149 deficiency in the release or reconveyance procedure not disclosed in the release of mortgage or  
150 reconveyance of trust deed.

151 (B) If the title insurer's or title agent's signature on a release of mortgage or reconveyance

152 of trust deed recorded under Subsection (5)(d)(ii)(A) is forged, the release of mortgage or  
153 reconveyance of trust deed is void.

154 (6) A release of mortgage or reconveyance of trust deed under this section does not, by  
155 itself, discharge ~~[an]~~ any promissory note or other obligation that was secured by the trust deed or  
156 mortgage at the time the trust deed was reconveyed or the mortgage was released.

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**Legislative Review Note**  
**as of 11-15-01 2:17 PM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**