

[Letterhead]

**TESTIMONY IN SUPPORT OF SB 256
Senate Committee on Financial Institutions and Insurance
January 18, 2012**

Chairperson Teichman and members of the committee, my name is _____. I represent the Kansas Register of Deeds Association, consisting of 105 member Registers of Deeds, as well as the Kansas County Officials Association. Thank you for the opportunity to provide this written testimony in support of SB 256.

The intent of this bill is to encourage mortgage companies and their assignees to file assignments of mortgages in a timely manner, which will greatly assist landowners, who have paid their mortgages off, in getting the release of mortgage filed.

For example, Bank A loans money to a landowner, and Bank A then bundles the loan with other loans and sends it to a clearinghouse. That clearinghouse may then bundle it with more loans, send it somewhere else, and this process can be repeated almost indefinitely. However, unless the assignments of the mortgage are recorded with the Register of Deeds, local land records show that Bank A (or whomever is the last assignee of record) is the mortgagee of record.

If that mortgage is paid off, the last assignee/mortgagee may submit a mortgage release, but because they are not shown as an assignee in the local land records, the Register of Deeds cannot file that release of the mortgage. This requires rejection of the release submitted, and delays the process by which the landowner can refinance the property, or obtain a mortgage-free title to the property. Often in these circumstances, the landowner calls the Register of Deeds, frustrated that they cannot get a release recorded when they have already paid the mortgage off. All we can do as Registers of Deeds is to let the landowner know who the assignee of record is, but that is often not the current assignee.

This bill simply amends the statute regarding mortgage releases, K.S.A. 58-2309a, to place the burden of recording an assignment on the assignor of a mortgage, which then places the burden of releasing the mortgage, when the mortgage is paid, on the new assignee. Therefore, there is never any question of who is responsible for releasing the mortgage because the landowner can simply look in the local land records to determine who the current assignee is.

I thank you again for this opportunity to provide testimony and am available for any questions.