

INSTRUCTIONS – REAL ESTATE MORTGAGE SATISFACTION

[Instructions for WCUL #81063 (Rev. 9/01)]
(Rev. 9/04)

PURPOSE OF FORM

Wisconsin law requires that mortgagees execute and record a satisfaction of mortgage within 30 days after the date on which the mortgagor completes full performance of the conditions of the mortgage. If the mortgagor sends a written request by certified mail, the satisfaction must be recorded within seven days after the request is received and full performance is completed. See Wis. Stat. § 706.05(10).

It is common in the industry to forward the satisfaction and the filing fee to the Register of Deeds upon final payment. However, if another financial institution refinances the mortgage and pays off your credit union loan, it is not uncommon for that institution to request that the completed satisfaction be forwarded to them for filing. In that case, you would forward the filing fee and the satisfaction to them as requested.

Wisconsin use only. The League form is designed only for the satisfaction of mortgages recorded in Wisconsin. Other states have their own requirements.

CHARGES

Although it is legal in Wisconsin to charge the mortgagor for cost of recording the satisfaction, it appears that the fee should be disclosed on the Truth-in-Lending disclosure and collected when the loan is granted.

The fee may be no more than the actual recording fee charged by the Register of Deeds, nor more than the fee disclosed for Truth-in-Lending. Thus, we recommend disclosing and collecting the current total of recording fees for the mortgage and satisfaction at the outset of the loan.

COMPLETION OF FORM

Names. The names of the mortgagor and the credit union should be identical to how they were on the mortgage. To the extent that there was a change or correction called for, use “f/k/a” (formerly known as) or “a/k/a” (also known as).

Legal Description. The mortgage satisfaction form recites that the mortgage identified is satisfied. The legal description must also be provided. It can be typed in the large blank space, or can be included on a sheet attached to the satisfaction form. Be sure to mark the appropriate check box, indicating which option is used. This is because the form must internally reference any separate document containing the description.

Both on the mortgage and on the satisfaction, the credit union should use the full legal description as found on the title policy to the property, not the abbreviated version found on tax bills or some title reports.

Recording Data. The recording data on the credit union's original mortgage document must be provided, as the legal description only identifies the land, not the mortgage instrument being satisfied.

Signatures. Normally, the satisfaction of mortgage form must be signed by one officer of the credit union. The only exception would occur in the unlikely event that the credit union adopted and recorded a requirement that more than one officer's signature be used.

The officer's signature must be acknowledged before a notary public. Each signature must have the name typed or printed below it.

Drafter. The form, by law, must have the typed or printed or otherwise legibly written name of the person who completed the form. A space is provided where the form says "This instrument was drafted by: _____." This is usually the loan officer.

PENALTY FOR NON-COMPLIANCE

A violation of Wis. Stats. § 706.05(10) is liable to the mortgagor for penalty damages of \$100 for each day that the violation remains uncorrected, up to a total of \$2,000, plus actual damages resulting from the violation. The credit union may not be held liable for actual damages unless the mortgagor paid the costs that are to be compensated (filing fees).

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These instructions are intended to provide general guidance on use of the described form. You should consult your credit union's lawyer for legal advice on specific factual matters.

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