

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 1485

By: Representative Mitchum

"AN ACT TO REQUIRE THE RELEASE OF RECORDED LIENS WITHIN THIRTY DAYS OF WRITTEN RECEIPT OF REQUEST FOR SAME; TO PROVIDE A PENALTY FOR FAILURE TO RELEASE; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. When a debt secured by a mortgage or other instrument which gives rise to a recorded lien has been fully paid or satisfied, the mortgagee, transferee, or assignee of the mortgagee or the legal holder of the written instrument which gives rise to a recorded lien who has received payment or satisfaction of the debt, shall satisfy the record in the Recorder's Office either by entry on the margin of the record of the mortgage or other written instrument or by a formal release filed for record.

SECTION 2. (a) If the holder of any debt secured by real property situated in this state shall arbitrarily or unreasonably fail to enter a proper release of record after having been fully paid or satisfied within thirty (30) days from the receipt of a written request from the party making such payment, including, but not limited to the maker, the mortgagor, the purchaser of the property covered by such instrument or any closing agent or attorney who has collected and transmitted funds for such payment, the holder of the debt shall forfeit to the party making such request the sum of one hundred dollars (\$100).

(b) If the indebtedness is not released within the aforestated thirty (30) day period, the party having requested the release shall again request the release, and, if after thirty (30) days from the second request, the indebtedness has not been released, the holder shall forfeit to the party making the request a sum not to exceed one thousand dollars (\$1,000).

(c) In the event suit is instituted to collect either or both of the forfeitures, the holder shall also be liable to the party instituting suit for all reasonable expenses, attorney fees, and the court costs incurred in the action.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

