



January 18, 2012

To: Members of the Senate Committee on Financial Institutions and Insurance

From: Kathleen A. Taylor, Kansas Bankers Association *Kat.*

Re: **SB 256: Entry of Satisfaction of Mortgage**

Madam Chair and Members of the Committee:

Thank you for the opportunity to present testimony today. The Kansas Bankers Association appears in opposition of **SB 256** as it is drafted.

As drafted, the bill requires the last mortgagee or mortgagee's assignee of record to enter satisfaction of "such" mortgage to be entered immediately. Without further definition, we are concerned that the last mortgagee of record may not have any interest in "such" mortgage, and therefore, would be unable to enter satisfaction.

For example, Bank A may be the original mortgagee, and file its mortgage with the Register of Deeds in the county where the property is located. Bank A then may assign its rights in the mortgage to another lender, Bank B, which does not file its assignment with the Register of Deeds. We believe this bill would require Bank A, which has assigned its rights in the property away, to enter satisfaction of Bank B's mortgage.

We understand there is frustration among offices of the Register of Deeds, but as drafted, this bill creates a situation that would be impossible and potentially not legal, for a mortgagee of record to comply.

Thank you for your consideration of our testimony.