

CHAPTER 655

SATISFACTION OF MORTGAGES

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655.1 Written instrument acknowledging satisfaction.

When the amount due on a mortgage is paid off, the mortgagee, the mortgagee's personal representative or assignee, or those legally acting for the mortgagee, and in case of payment of a school fund mortgage the county auditor, within thirty days of payment in full, shall acknowledge satisfaction thereof by execution of an instrument of satisfaction which is in writing, refers to the mortgage, and is duly acknowledged and recorded. Notwithstanding the foregoing, if the mortgage secures a revolving line of credit, future advances, or other future obligations, the mortgagee is not required to file a satisfaction upon payment in full unless the mortgagor makes a written request to the mortgagee that the mortgage be released and, if such written request is made, the mortgagee shall file the release within thirty days after payment in full or such written request is made whichever occurs later.

[C51, §2093; R60, §3670; C73, §3327; C97, §4295; C24, 27, 31, 35, 39, §12384; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §655.1]

[2018 Acts, ch 1036, §2](#)

Referred to in [§331.502, 655.3](#)

Duty of recorder, [§558.45](#)

655.2 Penalty — attorney fees. Repealed by 99 Acts, ch 54, §3.

655.3 Penalty for failure to discharge.

If a mortgagee, or a mortgagee's personal representative or assignee, upon full performance of the conditions of the mortgage, fails to discharge such mortgage as set forth in [section 655.1](#), the mortgagee is liable to the mortgagor and the mortgagor's heirs or assigns, for all actual damages caused by such failure and a penalty of five hundred dollars, plus reasonable attorney fees. A claim for such damages may be asserted in an action for discharge of the mortgage.

[99 Acts, ch 54, §2](#); [2018 Acts, ch 1036, §3](#)

Referred to in [§655.6](#)

655.4 Entry of foreclosure. Repealed by [2006 Acts, ch 1132, §15, 16](#).

655.5 Instrument of satisfaction.

When the judgment is paid in full, the mortgagee shall file with the clerk a satisfaction of judgment which shall release the mortgage underlying the action. A mortgagee who fails to file a satisfaction within thirty days of receiving a written request shall be subject to reasonable damages and a penalty of five hundred dollars plus reasonable attorney fees incurred by the aggrieved party, to be recovered in an action for the satisfaction by the party aggrieved.

[C73, §3328; C97, §4296; C24, 27, 31, 35, 39, §12388; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §655.5]

[85 Acts, ch 159, §11](#); [90 Acts, ch 1081, §6](#); [2006 Acts, ch 1129, §14](#); [2006 Acts, ch 1132, §12, 16](#); [2007 Acts, ch 85, §1](#); [2018 Acts, ch 1036, §4](#)

655.6 Limitation of liability.

A mortgagee is not liable under [section 655.3](#) if all of the following apply:

1. The mortgagee established reasonable procedures to achieve compliance with its obligations under [section 655.3](#).
2. The mortgagee complied with that procedure in good faith.

3. The mortgagee was unable to comply with its obligations because of circumstances beyond its control.

[2018 Acts, ch 1036, §5](#); [2018 Acts, ch 1172, §35](#)