

How To: Filing and Managing a Mortgage

What Is a Mortgage?

A mortgage is a security instrument by which a borrower (Mortgagor) pledges real property as collateral for a loan from a lender (Mortgagee). In the Grand Duchy of Eldoria, all mortgages must be recorded with the ROD to be enforceable against subsequent purchasers or creditors. An unrecorded mortgage is junior to all recorded instruments.

The mortgage does not transfer title; it creates a lien. If the Mortgagor defaults, the Mortgagee may initiate foreclosure proceedings before the Grand Duchy Court of Claims.

Required Elements

1. Names and addresses of Mortgagor and Mortgagee.
2. Loan amount and note date (the mortgage secures the underlying promissory note).
3. Legal description of the mortgaged property (Z-level, sector, cubic footage).
4. Uniform Covenants section covering insurance, maintenance, hazard events, and acceleration.
5. Signature of Mortgagor before two witnesses.
6. Notarial acknowledgment.
7. Lender's name and address for lien index purposes.

Step-by-Step Filing Process

1. Prepare the mortgage instrument using ROD form ELD-M-01 or lender's standard form.
2. Both parties sign; Mortgagor signs before witnesses and Notarial Magistrate.
3. Complete ROD Cover Sheet (form ELD-CVR); check 'MTG' as index type.
4. Pay recording fee: 25.00 GP base + 2.00 GP per page.
5. Submit to ROD counter. The lien will appear in the index within 2 working days.
6. Mortgagee retains the original; Mortgagor receives a certified copy.
7. Upon full repayment, file a Satisfaction of Mortgage (see REL guide).

Uniform Covenants Requirement

All mortgages recorded in Eldoria must include the following minimum covenants:

1. **INSURANCE:** Mortgagor shall maintain hazard coverage including cave-in, magma incursion, and Forgotten Beast damage.
2. **MAINTENANCE:** Mortgagor shall keep all tunnels, supports, and fortifications in good repair.
3. **HAZARD EVENTS:** Mortgagor must notify Mortgagee within 72 hours of any structural incident.
4. **ACCELERATION:** Upon default, Mortgagee may declare the full balance immediately due.
5. **ASSIGNMENT:** Mortgagee may assign the mortgage without Mortgagor consent.
6. **COMPLIANCE:** Mortgagor must comply with all Grand Duchy subterranean safety codes.

Obtaining a Satisfaction

When the mortgage debt is paid in full:

1. Mortgagee executes a Satisfaction of Mortgage (form ELD-SAT-01) within 30 days of payoff.
2. The Satisfaction must reference the original Book, Page, and Instrument number.
3. File the Satisfaction with the ROD; fee is 10.00 GP.
4. The index will reflect 'SAT' status within 2 working days.
5. Failure to timely file a Satisfaction exposes the Mortgagee to penalties under Eldoria Code Section 44-B.