

How To: Releasing a Lien or Mortgage

What Is a Release?

A Release (also called a Satisfaction, Discharge, or Cancellation) is the instrument used to extinguish a previously recorded lien or mortgage once the underlying obligation has been fully satisfied. Recording a Release is essential to clear the title of the encumbrance. Without a recorded Release, the lien or mortgage continues to appear as a cloud on title indefinitely.

In Eldoria, Releases are used to discharge:

- Mortgages (upon full loan payoff).
- Mechanic's liens (upon payment or settlement).
- Judgment liens (upon satisfaction of a court judgment).
- Easements (upon express termination by the dominant estate holder).

Mortgagee's Obligation to Release

Under Eldoria Code Section 44-B, a Mortgagee who has received full payoff **MUST**:

1. Execute a Satisfaction of Mortgage within 30 days of receiving full payment.
2. Record the Satisfaction with the ROD within 60 days of receiving full payment.
3. Send a copy of the recorded Satisfaction to the Mortgagor within 10 days of recording.

Penalties for non-compliance: 100 Gold Sovereigns per month of delay after the 60-day period, payable to the Mortgagor. The Mortgagor may also petition the Court of Claims for a judicial release if the Mortgagee is unreachable or refuses to act.

Required Elements of a Release

1. Name of the Releasor (the party holding the lien or mortgage).
2. Reference to the original instrument: Book, Page, Instrument number, and recording date.
3. Name of the property owner (Mortgagor or owner of record).
4. Clear statement that the obligation has been fully paid and satisfied.
5. Certification that no further amounts are owed under the original instrument.
6. Signature of the Releasor; notarization required.
7. If releasing a partial satisfaction, clearly state the remaining balance.

Step-by-Step Filing Process

1. Obtain a payoff statement confirming the full amount needed to satisfy the obligation.
2. Tender full payment to the lienholder.
3. Obtain the executed Release instrument from the lienholder (form ELD-R-01).
4. Complete ROD Cover Sheet; check 'REL' as index type; list the original instrument number.
5. Pay recording fee: 10.00 GP flat.
6. Submit to ROD counter. The index will be updated to reflect 'SAT' status within 1 working day.
7. Retain the recorded Release in your permanent property files.

What If the Lienholder Cannot Be Located?

If the Mortgagee or lienholder is deceased, dissolved, or unreachable:

1. Publish notice of intent to seek judicial release in the Grand Duchy Gazette for 4 consecutive weeks.
2. File a Petition for Judicial Release with the Grand Duchy Court of Claims, attaching proof of payoff.
3. The Court may issue an Order of Satisfaction, which has the same effect as a recorded Release.
4. Record the Court Order with the ROD; fee is 15.00 GP.

The judicial release process typically takes 60-90 days.