

**LB 386: Summary of Provisions of the  
Nebraska Security Instrument Satisfaction Act**

- I. The Secured Creditor is paid in full on a residential real property security interest
  
- II. The Secured Creditor has the obligation to record a deed of reconveyance or a release or satisfaction of a security interest in the real property records of the county in which the security instrument is recorded.
  - a. All legal remedies remain against secured creditor for not filing a deed of reconveyance or a release or satisfaction
  - b. If a deed of reconveyance or a release or satisfaction is not filed within 60 days, the Secured Creditor is liable to the landowner or purchaser for actual damages plus attorney's fees and costs
  - c. There is a good faith compliance exemption for circumstances beyond the control of the Secured Creditor
  
- III. If the Secured Creditor does not file a deed of reconveyance or a release or satisfaction within 60 days of full payment or performance, the closing agent may file a certificate of satisfaction in accordance with the act
  - a. If the closing agent is a title agent, the agent must file a designation of authority prior to filing a certificate of satisfaction
  - b. The closing agent must give 60 days' notice of the intent to file a certificate of satisfaction containing specific provisions (see V. below).
  - c. The notice may be given at the closing
  - d. The closing agent may not file a deed of reconveyance or release or satisfaction if within 60 days of giving notice the closing agent is notified that:
    - i. The secured creditor has filed a release or satisfaction
    - ii. The obligation remains unsatisfied, or
    - iii. The secured creditor has assigned the security interest and to whom
  
- IV. The Designation of Authority grants the title agent the authority to file a certificate of satisfaction and must:
  - a. Be executed and acknowledged as required by law
  - b. State the name of the title agent, the title insurer and state that the title agent has the authority to execute and record a certificate of satisfaction on behalf of the title insurer
  - c. State that the title insurance agent consents to and accepts the terms of the designation
  - d. Be recorded in the office of the register of deeds in any county in which the certificate of satisfaction may be recorded

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- V. The Certificate of Satisfaction must include the following:
  - a. The identity of the parties to the secured transaction and the recording data and description of the real estate at issue
  - b. The name of the closing agent, and if required the filing information for the designation of authority
  - c. A statement that the secured creditor provided a pay off statement
  - d. There is satisfactory evidence that the secured creditor received full payment of performance of the amounts identified in the pay off statement
  - e. That the secured creditor has failed to file deed of reconveyance or a release or satisfaction
  - f. That the closing agent has not received notification that the secured obligation remains unsatisfied
  - g. The closing agent gave notice to the secured creditor
  - h. Be executed and acknowledged as required for a conveyance of an interest in real property
  
- VI. The notification provided by the closing agent to the secured creditor shall include:
  - a. The identity and mailing address of the closing agent
  - b. The identity of the parties to the original security instrument and the recording data
  - c. A statement that the closing agent has reasonable grounds to believe that the property is real property, the notice is being sent to the secured creditor and that full payment or performance has been made in accordance with the payoff statement
  - d. A statement that the closing agent has the authority to file a certificate of satisfaction
  - e. A statement that the secured creditor is subject to liability for failure to file the release or satisfaction
  
- VII. A certificate of Satisfaction that complies with the Act
  - a. Is evidence of the facts contained in it and shall be accepted for filing
  - b. Operates as a satisfaction of the security interest
  - c. If recorded in more than one county, a copy shall have the same effect as the original
  - d. Does not extinguish the underlying obligation
  
- VIII. A closing agent shall be subject to liability for damages caused by the wrongful or erroneous recording of a certificate of Satisfaction, including attorney's fees and costs
  - a. The closing agent is not liable if he or she complies in good faith with the act
  - b. The title insurer shall be liable to the same extent as the title agent