

IC 32-28

ARTICLE 28. LIENS ON REAL PROPERTY

IC 32-28-1

Chapter 1. Record of Liens; Duty to Satisfy Record After Release or Discharge of Liens

IC 32-28-1-1

Debt or obligation paid

Sec. 1. (a) This section applies to a person, a firm, a limited liability company, a corporation, a copartnership, an association, an administrator, an executor, a guardian, a trustee, or another person who is the owner, holder, or custodian of any mortgage, mechanic's lien, judgment, or other lien recorded in Indiana.

(b) When the debt or obligation and the interest on the debt or obligation that the mortgage, mechanic's lien, judgment, or other lien secures has been fully paid, lawfully tendered, and discharged, the owner, holder, or custodian shall:

- (1) release;
- (2) discharge; and
- (3) satisfy of record;

the mortgage, mechanic's lien, judgment, or other lien.

(c) If the release, discharge, or satisfaction is a release, discharge, or satisfaction in part, the instrument must:

- (1) state on its face that the instrument is a:
 - (A) partial release;
 - (B) partial discharge; or
 - (C) partial satisfaction; and
- (2) describe what portion of the mortgage, mechanic's lien, judgment, or other lien is released, discharged, or satisfied.

As added by P.L.2-2002, SEC.13.

IC 32-28-1-2

Forfeiture; commissioner to release and satisfy lien

Sec. 2. (a) This section applies if:

- (1) the mortgagor or another person having the right to demand the release of a mortgage or lien makes a written demand, sent by registered or certified mail with return receipt requested, to the owner, holder, or custodian to release, discharge, and satisfy of record the mortgage, mechanic's lien, judgment, or other lien; and
- (2) the owner, holder, or custodian fails, neglects, or refuses to release, discharge, and satisfy of record the mortgage, mechanic's lien, judgment, or other lien as required under section 1 of this chapter not later than fifteen (15) days after the date the owner, holder, or custodian receives the written demand.

(b) An owner, holder, or custodian shall forfeit and pay to the mortgagor or other person having the right to demand the release of the mortgage or lien:

(1) a sum not to exceed five hundred dollars (\$500) for the failure, neglect, or refusal of the owner, holder, or custodian to:

(A) release;

(B) discharge; and

(C) satisfy of record the mortgage or lien; and

(2) costs and reasonable attorney's fees incurred in enforcing the release, discharge, or satisfaction of record of the mortgage or lien.

(c) If the court finds in favor of a plaintiff who files an action to recover damages under subsection (b), the court shall award the plaintiff the costs of the action and reasonable attorney's fees as a part of the judgment.

(d) The court may appoint a commissioner and direct the commissioner to release and satisfy the mortgage, mechanic's lien, judgment, or other lien. The costs incurred in connection with releasing and satisfying the mortgage, mechanic's lien, judgment, or other lien shall be taxed as a part of the costs of the action.

(e) The owner, holder, or custodian, by virtue of having recorded the mortgage, mechanic's lien, judgment, or other lien in Indiana, submits to the jurisdiction of the courts of Indiana as to any action arising under this section.

As added by P.L.2-2002, SEC.13.