

## **Mortgage Releases or Satisfactions South Dakota Loans**

When a SBA direct loan is paid in full, SBA's servicing offices typically prepare a mortgage release or satisfaction about three weeks after the payment clears. SBA sends the release or satisfaction to the Borrower. SBA does not record or pay for the recording of the release or satisfaction.

To clear the mortgage of record, the Borrower must pay the applicable fee and record the release or satisfaction with the Register of Deeds in the County where the mortgage was originally recorded. Some borrowers do not record when they receive the release or satisfaction from SBA.

Sometimes Borrowers later realize that the mortgage still appears of record and have forgotten that they received a release or satisfaction from SBA.

### **If you have paid your loan in full and believe the mortgage still appears of record:**

1. Review your loan records to see if you still have the unrecorded original release or satisfaction provided by SBA. If so, record the release or satisfaction. This will resolve the issue.
2. If you did not keep the release or satisfaction and need a replacement, the following steps are required:

A. Did you send your payments to SBA, and did SBA own the loan when it was paid in full?

If not, SBA cannot provide a release. Loans held by banks or sold to third parties must be released by those parties. SBA does not have the power, legal ability, or responsibility to provide releases on these loans. This is true even if the owner of the loan failed to record the assignment of the former SBA mortgage.

If SBA owned the loan, continue below.

B. SBA only keeps paid in full loan files for a limited time. If this time has expired, SBA will not have the information required to prepare a replacement release or satisfaction. **To obtain a replacement release or satisfaction, you will need to provide the following:**

1. **A readable copy of the entire mortgage.** You can obtain a copy from the register of deeds. This will provide the legal description, recording information, and names of the mortgagors so that a release can be prepared. Faxed copies are frequently impossible to read.
2. **The SBA Loan Number.** This permits SBA to determine if it owns the loan, if the loan was paid in full, and which SBA office can prepare the release or satisfaction.
3. **The title commitment that shows the SBA mortgage.** This insures that all amendments, modifications, and re-recordings are released at one time.

C. SBA has limited staff, and replacement releases or satisfactions are prepared when time permits. Lead time and patience are required.

D. Call your local SBA office. For **South Dakota** loans, call 605-330-4231 with your loan number to find out where you should send your request and materials.