
By: **Delegate Brown**
Introduced and read first time: March 5, 2001
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Mortgages - Perfection of Security Interest**

3 FOR the purpose of providing that if a certain security interest in a mortgage was
4 attached or perfected before a certain date in accordance with certain provisions
5 of law, then the interest continues to be perfected after a certain date under
6 certain circumstances; repealing a requirement that an assignment of a certain
7 mortgage be recorded in the land records of the county where the mortgage is
8 recorded under certain circumstances; repealing certain provisions of law
9 relating to the perfection of security interests in mortgages that were attached
10 before a certain date; and generally relating to security interests in mortgages.

11 BY repealing and reenacting, with amendments,
12 Article - Real Property
13 Section 7-101
14 Annotated Code of Maryland
15 (1996 Replacement Volume and 2000 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Real Property**

19 7-101.

20 (a) Every deed which by any other writing appears to have been intended only
21 as security for payment of an indebtedness or performance of an obligation, though
22 expressed as an absolute grant is considered a mortgage. The person for whose
23 benefit the deed is made may not have any benefit or advantage from the recording of
24 the deed, unless every other writing operating as a defeasance of it, or explanatory of
25 its being intended to have the effect only of a mortgage, also is recorded in the same
26 records at the same time.

27 (b) Subsection (a) of this section is not applicable to the grant of a security
28 interest in a mortgage by a mortgagee, or one of several mortgagees, or any assignee
29 of his interest in a mortgage as security for payment of an indebtedness or

1 performance of an obligation. Such a transaction is governed by Title 9 of the
2 Maryland Uniform Commercial Code[, except that in order to perfect the security
3 interest, an assignment of such mortgage shall be recorded in the land records in the
4 county where the mortgage is recorded, and no financing statement need be filed. If a
5 security interest in a mortgage was attached before July 1, 1984, and if the security
6 interest was perfected as required by § 7-101(b) as in effect before July 1, 1984, then
7 the security interest shall continue to be perfected after July 1, 1984, without the
8 need to file any continuation statement under the Maryland Uniform Commercial
9 Code if an assignment is recorded in the land records in the county where the
10 mortgage is recorded before the effectiveness of the financing statement lapses. If a
11 security interest in a mortgage attached but was not perfected before July 1, 1984 as
12 required by § 7-101(b) as in effect before July 1, 1984, and if an assignment of the
13 mortgage is recorded in the land records in the county where the mortgage is recorded
14 before or after July 1, 1984, then the security interest will be perfected as of July 1,
15 1984 or the date of recording, whichever is later].

16 (C) NOTWITHSTANDING ANY PROVISION OF TITLE 9 OF THE MARYLAND
17 UNIFORM COMMERCIAL CODE TO THE CONTRARY, IF A SECURITY INTEREST IN A
18 MORTGAGE WAS ATTACHED AND PERFECTED BEFORE JULY 1, 2001, IN ACCORDANCE
19 WITH SUBSECTION (B) OF THIS SECTION AS IN EFFECT BEFORE JULY 1, 2001, THEN
20 THE SECURITY INTEREST SHALL CONTINUE TO BE PERFECTED AFTER JULY 1, 2001,
21 WITHOUT THE NEED FOR ANY ADDITIONAL FILING IN THE LAND RECORDS IN THE
22 COUNTY WHERE THE MORTGAGE IS RECORDED, AND WITHOUT THE NEED FOR ANY
23 ADDITIONAL FILING OTHERWISE REQUIRED UNDER TITLE 9 OF THE MARYLAND
24 UNIFORM COMMERCIAL CODE.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2001.