

Department of Legislative Services  
Maryland General Assembly  
2001 Session

FISCAL NOTE

House Bill 1434 (Delegate Brown)

Economic Matters

Judicial Proceedings

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

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This bill repeals provisions governing the perfection of a grant of a security interest in a mortgage by a mortgagee. The bill provides that if a security interest in a mortgage was perfected before July 1, 2001 in accordance with applicable law, the interest remains perfected without the need for any additional filing either in the land records or under Title 9 of the Maryland Uniform Commercial Code (UCC).

The bill is effective July 1, 2001.

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**Fiscal Summary**

**State Effect:** None. The change would not directly affect governmental finances.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The grant of a security interest in a mortgage by a mortgagee is perfected by recording an assignment of the mortgage in the land records.

**Background:** Under the revision to Title 9 of the UCC, a security interest in a mortgage granted by a mortgagee is perfected by filing a financing statement in the state where the executive office of the mortgagee is located.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Maryland State Bar Association; Department of Legislative Services

**Fiscal Note History:** First Reader – March 20, 2001  
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