

**Department of Legislative Services**  
Maryland General Assembly  
2011 Session

**FISCAL AND POLICY NOTE**

Senate Bill 918 (Senator Colburn)  
Judicial Proceedings

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**Real Property - Recordation of Deed - Foreclosure Sales**

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This bill requires that a deed be recorded within 60 days after the date of the final order of ratification in a foreclosure sale.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State finances or operations.

**Local Effect:** The bill does not materially affect local government finances or operations. Purchasers of real property at a foreclosure sale are already required to record the deed. The bill merely sets a time limit.

**Small Business Effect:** None.

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**Analysis**

**Current Law:**

*Post-sale Procedures:* Under the Maryland Rules, in cases involving a judicial sale, a person authorized to make the sale must file with the court a complete report of the sale and an affidavit of the fairness of the sale and the truth of the report. The affidavit must set forth information regarding the principals and whether the purchaser has not directly or indirectly discouraged anyone from bidding for the property. A party and a holder of a subordinate interest in the property subject to the lien in an action to foreclose a lien may file exceptions to the sale within 30 days of receiving notice.

The court must then ratify the sale if (1) the time for filing exceptions has expired and either no exceptions were filed or the exceptions were overruled; and (2) the court is satisfied that the sale was fairly and properly made. If the court is not satisfied that the sale was fairly and properly made, it may enter any order that it deems appropriate. After the court has ratified the sale and the purchase money has been paid, the individual making the sale must convey the property to the purchaser or the purchaser's assignee.

*Recordation of Deed:* Generally no deed may pass or take effect unless it is executed and recorded. No deed, mortgage, or deed of trust may be recorded unless it meets the requirements specified by statute relating to form, necessary attached documents, and payment of taxes.

The proper jurisdiction for recording all deeds is the county in which the land is located. If the land is located in more than one county, the deed must be recorded in all such counties. After any document has been recorded in one county, a certified copy of the recorded document may be recorded in any other county.

**Background:** As shown in **Exhibit 1**, a total of 23,846 notices of foreclosure sales were issued in Maryland in 2010, as compared to 16,812 in 2009. By far the jurisdictions with the largest volume of notices of foreclosure sales were Prince George's, Montgomery, Baltimore, Anne Arundel, and Howard counties and Baltimore City. These jurisdictions accounted for approximately 80% of all notices of foreclosure sales in the fourth quarter of 2010.

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**Exhibit 1**  
**2010 Notices of Foreclosure Sales Issued in Maryland by Quarter**

<b><u>Jurisdiction</u></b>	<b><u>Q1</u></b>	<b><u>Q2</u></b>	<b><u>Q3</u></b>	<b><u>Q4</u></b>
Allegany	45	15	23	11
Anne Arundel	566	552	627	162
Baltimore	937	960	964	197
Baltimore City	1,050	1,127	1,138	213
Calvert	99	161	121	18
Caroline	44	32	61	12
Carroll	147	115	148	15
Cecil	55	109	125	24
Charles	275	278	261	62
Dorchester	57	46	44	12
Frederick	351	326	366	54
Garrett	20	14	33	4
Harford	246	321	270	48
Howard	254	252	267	67
Kent	21	14	19	5
Montgomery	592	452	651	289
Prince George's	1,945	2,093	2,118	564
Queen Anne's	51	56	68	10
Somerset	2	2	24	6
St. Mary's	76	86	108	22
Talbot	36	37	39	8
Washington	147	190	151	39
Wicomico	2	2	0	1
Worcester	26	36	40	17
<b>Total</b>	<b>7,044</b>	<b>7,276</b>	<b>7,666</b>	<b>1,860</b>

Source: Department of Housing and Community Development

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division), Judiciary (Administrative Office of the Courts), Department of Housing and Community Development, Department of Legislative Services

**Fiscal Note History:** First Reader - March 20, 2011  
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