

## Article - Commercial Law

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§12–1024.

(a) (1) Except as provided in paragraph (2) of this subsection, this section applies only to a loan made by a credit grantor to a consumer borrower.

(2) This section does not apply to a loan to which § 3-105.1 of the Real Property Article applies.

(b) Within a reasonable time after a loan to a consumer borrower has been repaid in full and all other obligations under the agreement, note, or other evidence of the loan have been fulfilled, a credit grantor shall:

(1) (i) Indelibly mark with the word “paid” or “canceled” and return to the consumer borrower each agreement, note, or other evidence of the loan; or

(ii) Furnish the consumer borrower with a written statement that identifies the loan transaction and states that the loan has been paid in full; and

(2) Release any recorded mortgage, deed of trust, security agreement, or other lien securing the loan.

(c) The release shall be:

(1) In writing; and

(2) Prepared at the expense of the credit grantor.

(d) (1) If the credit grantor does not record the release, the credit grantor shall furnish the consumer borrower with the release in a recordable form.

(2) If the credit grantor records the release, the credit grantor shall furnish the consumer borrower with a copy of the release.

(e) (1) If a fee is collected by a credit grantor for the recording of a release:

(i) The release shall be recorded by the credit grantor; and

(ii) Any portion of the fee not paid to a governmental entity for recording the release shall be refunded to the borrower.

(2) If a fee is not collected by a credit grantor for the recording of a release, the credit grantor is not obligated to record the release.

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