

Article - Commercial Law

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§12–924.

(a) (1) Except as provided in paragraph (2) of this subsection, this section applies only to a plan between a credit grantor and a consumer borrower under which a credit grantor has taken any property as security for credit extended under the plan.

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

(b) A credit grantor shall release any recorded mortgage, deed of trust, security agreement, or other lien securing the extension of credit within a reasonable time after:

(1) The outstanding unpaid indebtedness under a plan has been paid in full;

(2) There are no further obligations of the credit grantor or the consumer borrower under the plan; and

(3) The account under the plan is closed.

(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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