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By: **Delegates Benson and Conroy**  
Introduced and read first time: January 19, 2000  
Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Releases of Mortgages and Deeds of Trust - Recordation**

3 FOR the purpose of authorizing a mortgagee or trustee under a deed of trust to charge  
4 a certain fee at the commencement of a certain loan to cover the recordation of  
5 the release of the mortgage or deed of trust; requiring a mortgagee or trustee to  
6 record the release of a mortgage or deed of trust within a certain period of time  
7 after a certain loan is satisfied, to send a certain notice to the party satisfied,  
8 and to keep in the loan file a certain notice about the recordation of the release;  
9 requiring a mortgagee or trustee to send a certain notice before a certain date to  
10 the party responsible for making satisfaction of a certain loan and to keep in the  
11 loan file a certain notice about the recordation of the release; and generally  
12 relating to the recordation of releases of mortgages and deeds of trust.

13 BY adding to  
14 Article - Real Property  
15 Section 3-105.1  
16 Annotated Code of Maryland  
17 (1996 Replacement Volume and 1999 Supplement)

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

20 **Article - Real Property**

21 3-105.1.

22 (A) THIS SECTION APPLIES TO LOANS THAT ARE SECURED BY RESIDENTIAL  
23 REAL PROPERTY LOCATED IN THE STATE.

24 (B) AT THE COMMENCEMENT OF A LOAN, A MORTGAGEE OR TRUSTEE UNDER  
25 A DEED OF TRUST MAY CHARGE A REASONABLE FEE, NOT TO EXCEED ACTUAL  
26 COSTS, TO COVER THE RECORDATION OF THE RELEASE OF THE MORTGAGE OR DEED  
27 OF TRUST, AND THE MAILING OF THE NOTICE OF THE RECORDATION, AS PROVIDED  
28 IN SUBSECTION (C) OF THIS SECTION.

1 (C) WITHIN 60 DAYS FROM THE DATE A LOAN IS PAID FULLY OR IS SATISFIED,  
2 THE MORTGAGEE OR THE MORTGAGEE'S ASSIGNEE, OR THE TRUSTEE OR THE  
3 TRUSTEE'S SUCCESSOR UNDER A DEED OF TRUST, SHALL:

4 (1) RECORD THE RELEASE OF THE MORTGAGE OR DEED OF TRUST AS  
5 PROVIDED IN § 3-105 OF THIS SUBTITLE;

6 (2) SEND NOTICE, BY CERTIFIED MAIL, TO THE PARTY SATISFIED THAT  
7 THE RELEASE HAS BEEN RECORDED; AND

8 (3) KEEP IN THE LOAN FILE A COPY OF THE NOTICE SENT UNDER ITEM  
9 (2) OF THIS SUBSECTION.

10 SECTION 2. AND BE IT FURTHER ENACTED, That on or before October 1,  
11 2001, a mortgagee or a mortgagee's assignee, or a trustee or trustee's successor under  
12 a deed of trust, shall send notice by certified mail to the party responsible for making  
13 satisfaction of a loan secured by residential real property located in the State and  
14 made before October 1, 2000 that briefly explains the necessity and procedures for  
15 recording a release of the mortgage or deed of trust. The mortgagee or mortgagee's  
16 assignee, or the trustee or trustee's successor under a deed of trust, shall keep in the  
17 loan file a copy of the notice sent under this section.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2000.