
By: **Delegate Brown**
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CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of providing that if a certain security interest in a mortgage was
4 attached or perfected before a certain date in accordance with certain provisions
5 of law, then the interest continues to be perfected after a certain date under
6 certain circumstances; repealing a requirement that an assignment of a certain
7 mortgage be recorded in the land records of the county where the mortgage is
8 recorded under certain circumstances; repealing certain provisions of law
9 relating to the perfection of security interests in mortgages that were attached
10 before a certain date; and generally relating to security interests in mortgages.

11 BY repealing and reenacting, with amendments,
12 Article - Real Property
13 Section 7-101
14 Annotated Code of Maryland
15 (1996 Replacement Volume and 2000 Supplement)

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

18 **Article - Real Property**

19 7-101.

20 (a) Every deed which by any other writing appears to have been intended only
21 as security for payment of an indebtedness or performance of an obligation, though
22 expressed as an absolute grant is considered a mortgage. The person for whose

1 benefit the deed is made may not have any benefit or advantage from the recording of
2 the deed, unless every other writing operating as a defeasance of it, or explanatory of
3 its being intended to have the effect only of a mortgage, also is recorded in the same
4 records at the same time.

5 (b) Subsection (a) of this section is not applicable to the grant of a security
6 interest in a mortgage by a mortgagee, or one of several mortgagees, or any assignee
7 of his interest in a mortgage as security for payment of an indebtedness or
8 performance of an obligation. Such a transaction is governed by Title 9 of the
9 Maryland Uniform Commercial Code[, except that in order to perfect the security
10 interest, an assignment of such mortgage shall be recorded in the land records in the
11 county where the mortgage is recorded, and no financing statement need be filed. If a
12 security interest in a mortgage was attached before July 1, 1984, and if the security
13 interest was perfected as required by § 7-101(b) as in effect before July 1, 1984, then
14 the security interest shall continue to be perfected after July 1, 1984, without the
15 need to file any continuation statement under the Maryland Uniform Commercial
16 Code if an assignment is recorded in the land records in the county where the
17 mortgage is recorded before the effectiveness of the financing statement lapses. If a
18 security interest in a mortgage attached but was not perfected before July 1, 1984 as
19 required by § 7-101(b) as in effect before July 1, 1984, and if an assignment of the
20 mortgage is recorded in the land records in the county where the mortgage is recorded
21 before or after July 1, 1984, then the security interest will be perfected as of July 1,
22 1984 or the date of recording, whichever is later].

23 (C) NOTWITHSTANDING ANY PROVISION OF TITLE 9 OF THE MARYLAND
24 UNIFORM COMMERCIAL CODE TO THE CONTRARY, IF A SECURITY INTEREST IN A
25 MORTGAGE WAS ATTACHED AND PERFECTED BEFORE JULY 1, 2001, IN ACCORDANCE
26 WITH SUBSECTION (B) OF THIS SECTION AS IN EFFECT BEFORE JULY 1, 2001, THEN
27 THE SECURITY INTEREST SHALL CONTINUE TO BE PERFECTED AFTER JULY 1, 2001,
28 WITHOUT THE NEED FOR ANY ADDITIONAL FILING IN THE LAND RECORDS IN THE
29 COUNTY WHERE THE MORTGAGE IS RECORDED, AND WITHOUT THE NEED FOR ANY
30 ADDITIONAL FILING OTHERWISE REQUIRED UNDER TITLE 9 OF THE MARYLAND
31 UNIFORM COMMERCIAL CODE.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 July 1, 2001.