

# SENATE BILL 848

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By: **Senator Kittleman**

Introduced and read first time: February 11, 2010

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Recordation of Instruments and Foreclosure Procedures on**  
3 **Residential Property – Owner–Occupied Property**

4 FOR the purpose of limiting certain recordation requirements for a mortgage, deed of  
5 trust, or other instrument securing a mortgage loan on residential property to  
6 certain owner–occupied residential property; limiting certain foreclosure  
7 procedures for residential property to certain owner–occupied residential  
8 property; altering certain definitions; providing for the application of this Act;  
9 and generally relating to recordation requirements and foreclosure procedures  
10 for owner–occupied residential property.

11 BY repealing and reenacting, with amendments,  
12 Article – Real Property  
13 Section 3–104.1 and 7–105.1(a)  
14 Annotated Code of Maryland  
15 (2003 Replacement Volume and 2009 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 3–104.1.

20 (a) In this section, “residential property” means real property [improved]:

21 (1) **IMPROVED** by four or fewer single family dwelling units that are  
22 designed principally and are intended for human habitation; **AND**

23 (2) **THAT IS OWNER–OCCUPIED.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) When recorded, a mortgage, deed of trust, or any other instrument  
2 securing a mortgage loan on residential property shall contain:

3 (1) (i) The name and Maryland mortgage originator license  
4 number of the mortgage originator that originated the loan secured by the instrument;  
5 or

6 (ii) An affidavit by the person that originated the mortgage loan  
7 secured by the instrument that the individual who originated the loan is exempt from  
8 the licensing requirement under Title 11, Subtitle 6 of the Financial Institutions  
9 Article; and

10 (2) (i) The name and Maryland mortgage lender license number of  
11 the mortgage lender that made the loan secured by the instrument; or

12 (ii) An affidavit by the lender that made the mortgage loan  
13 secured by the instrument that the lender is exempt from the licensing requirement  
14 under Title 11, Subtitle 5 of the Financial Institutions Article.

15 (c) The Commissioner of Financial Regulation shall adopt regulations to  
16 implement the provisions of this section, including:

17 (1) Minimum requirements for the inclusion of licensing information  
18 when a mortgage, deed of trust, or other instrument securing a mortgage loan on  
19 residential property is recorded; and

20 (2) Consequences, including penalties, for the failure to include  
21 licensing information when a mortgage, deed of trust, or other instrument securing a  
22 mortgage loan on residential property is recorded.

23 7–105.1.

24 (a) In this section, “residential property” means real property [improved]:

25 (1) **IMPROVED** by four or fewer single family dwelling units that are  
26 designed principally and are intended for human habitation; **AND**

27 (2) **THAT IS OWNER–OCCUPIED.**

28 SECTION 2. AND BE IT FURTHER ENACTED, That § 3–104.1 of the Real  
29 Property Article, as enacted by Section 1 of this Act, shall be construed to apply only  
30 prospectively and may not be applied or interpreted to have any effect on or  
31 application to any mortgage, deed of trust, or other instrument recorded before the  
32 effective date of this Act.

33 SECTION 3. AND BE IT FURTHER ENACTED, That § 7–105.1(a) of the Real  
34 Property Article, as enacted by Section 1 of this Act, shall be construed to apply only

1 prospectively and may not be applied or interpreted to have any effect on or  
2 application to any foreclosure action filed before the effective date of this Act.

3 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2010.