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To: Members of the House Environment & Transportation Committee
From: MLTA Legislative Committee
Date: January 23, 2025 [Hearing date: January 24, 2025]
Subject: **HB 0347** – Real Property – Recordation and Land Records – Requirements
Position: **Support with Amendments**

The Maryland Land Title Association (MLTA) is a professional organization working on behalf of title industry service providers and consumers and is comprised of agents, abstractors, attorneys, and underwriters. **MLTA SUPPORTS House Bill 347 – Real Property – Recordation and Land Records – Requirements - with an amendment.**

MLTA has worked with the Circuit Court Clerks' association, and is supportive of its goals to ameliorate the process of recording documents in the Land Records. As currently drafted, the bill before you, beginning on Page 4, seeks to amend, Real Property Article, Section 3-104(e)(1)(I) by adding the following provision:

“2. INCLUDE AT LEAST A 3-INCH MARGIN AT THE TOP OF THE FIRST PAGE AND 1-INCH MARGINS ON ALL REMAINING SIDES OF EACH PAGE OF THE INSTRUMENT FOR OFFICIAL USE.

And seeks to add the following subsection:

(II) A CLERK MAY REFUSE TO RECORD AN INSTRUMENT THAT DOES NOT MEET THE REQUIREMENTS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH.

The MLTA understands that this is intended to assist the Land Records offices in having a dedicated area in which to place recording information and to prevent inadequate or ineffective scanning of a document submitted for recording. MLTA members, however, do not have control over the formatting of documents submitted to them for a closing transaction. More often than not, they do not have the legal capacity to refuse to accept documents on the grounds that they do not meet Maryland standards for recording. It should be noted that the standard FNMA/FHLMC deed of trust instrument used in most residential purchase transactions, does not meet the margin requirements as the footer for each page is located within the last 1 inch margin.

A refusal to accept the document for recording would subject the title company or attorney that handled the closing, as well as its title insurer, to potential liability to buyers, seller and/or lenders for failure to record or the resulting delay in recording while the matter is resolved and the document brought into compliance. As Maryland is a Race-Notice recording state, these liabilities could be extensive.

In cooperation with the Circuit Court Clerks' association, the companion Bill SB-150 was amended to provide for a 3 inch top margin and 1 inch side margins – removing any requirement for a 1 inch bottom margin.

In addition, the addition of the new subsection 3-104(e)(1)(II) has been deleted from SB-150.

The MLTA respectfully requests that the following amendments also be made to HB 347; as amended the Bill will have the full support of the MLTA.