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To: Members of the Senate Judicial Proceedings Committee
From: MLTA Legislative Committee
Date: January 13, 2025 [Hearing date: January 15, 2025]
Subject: **SB 0150** – 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 Senate Bill 150 – 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, beginning on Page 5 of the bill, Real Property Article, Section 3-104(e)(1)(I) is sought to be amended 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.

(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 either(i) a failure to record or (ii) the resulting delay in recording while the matter is resolved and the document brought into compliance. Because Maryland gives preference in many situations to a first recorded document, these liabilities could be extensive and would unfairly burden title professionals.

THE MLTA respectfully requests that the provision be amended to read as follows:

“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.

(II) A CLERK WILL NOT BE LIABLE FOR THE FAILURE OF A DOCUMENT THAT DOES NOT MEET THE REQUIREMENTS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH TO BE EFFECTIVELY SCANNED OR PRESERVED FOR RECORD.