

MENT AND DISBURSEMENT AND THE LEGAL EFFECT  
OF SUCH AFFIDAVIT.

SECTION 1. *Be it enacted by the General Assembly of Maryland, That Section 30 of Article 21 of the Annotated Code of Maryland (1966 Replacement Volume), title "Conveyancing," subtitle "Mortgages," be and it is hereby repealed, and that new Section 30 of Article 21 be and it is hereby enacted in lieu thereof to stand in the place of the section so repealed, and to read as follows:*

30.

(A) *No mortgage or deed of trust of any kind on or as to any Maryland land property shall be valid except as between the parties thereto, unless there be contained therein or endorsed thereon an oath or affirmation of the mortgagee or the party secured by a deed of trust that the loan consideration secured by CONSIDERATION RECITED IN said mortgage or deed of trust is true and bona fide as therein set forth. No purchase money mortgage or purchase money deed of trust shall be valid either as between the parties or as to any third parties unless said oath or affirmation shall further state that the loan sum which said mortgage or deed of trust is given to secure has been paid over and disbursed by the mortgagee or the party secured by the deed of trust at the time of execution of said mortgage or deed of trust by the maker.*

(B) NO PURCHASE MONEY MORTGAGE OR PURCHASE MONEY DEED OF TRUST INVOLVING LAND ANY PART OF WHICH IS SITUATED IN MARYLAND, SHALL BE VALID EITHER AS BETWEEN THE PARTIES OR AS TO ANY THIRD PARTIES UNLESS SUCH MORTGAGE OR DEED OF TRUST CONTAINS OR HAS ENDORSED UPON IT AT A TIME PRIOR TO RECORDATION, THE OATH OR AFFIRMATION OF THE MORTGAGEE OR PARTY SECURED BY SUCH DEED OF TRUST STATING THAT THE AMOUNT OF THE LOAN WHICH SAID MORTGAGE OR DEED OF TRUST HAS BEEN GIVEN TO SECURE WAS PAID OVER AND DISBURSED BY THE MORTGAGEE OR THE PARTY SECURED BY THE DEED OF TRUST TO EITHER THE BORROWER OR THE PERSON RESPONSIBLE FOR DISBURSEMENT OF FUNDS IN THE CLOSING TRANSACTION OR THEIR RESPECTIVE AGENT AT A TIME NO LATER THAN THE FINAL AND COMPLETE EXECUTION OF THE MORTGAGE OR DEED OF TRUST, PROVIDED, HOWEVER, THAT THIS SUBSECTION SHALL NOT APPLY WHERE A PURCHASE MONEY MORTGAGE OR DEED OF TRUST IS GIVEN TO A SELLER IN A TRANSACTION IN ORDER TO SECURE PAYMENT TO HIM OF ALL OR PART OF THE PURCHASE PRICE OF SAID PROPERTY.

SEC. 2. *And be it further enacted, That this Act shall take effect July 1, 1968 JANUARY 1, 1969 JULY 1, 1968.*

Approved May 7, 1968.