

tation. Under the one year limitation, companies would be forced to pay more unjustified claims, thereby causing higher premiums for new purchasers of health insurance.

For these reasons, I feel that Senate Bill 267 must be vetoed.

Sincerely,

/s/ MARVIN MANDEL,
Governor.

Senate Bill No. 420—Non-Resident Trustees on Deeds of Trust

AN ACT to add new Section 44 to Article 21 of the Annotated Code of Maryland (~~1966 Replacement Volume and 1969 Supplement~~), title "Conveyances," subtitle "Deeds of Trust," ~~prohibiting non-resident trustees on deeds conveying real estate in Maryland.~~ (1969 SUPPLEMENT), TITLE "CONVEYANCING," SUBTITLE "DEPOSITS ON NEW HOMES," TO FOLLOW IMMEDIATELY AFTER SECTION 43 THEREOF AND TO BE UNDER THE NEW SUBTITLE "DEEDS OF TRUST," PROHIBITING NON-RESIDENT TRUSTEES ON DEEDS OF TRUST AND GENERALLY RELATING THERETO.

May 26, 1970.

Honorable William S. James
President of the Senate
State House
Annapolis, Maryland

Dear Mr. President:

In accordance with Article II, Section 17, of the Maryland Constitution, I have today vetoed Senate Bill 420.

This bill requires that only persons who are residents of the State of Maryland or corporations qualified to do business in the State of Maryland shall be permitted to act as trustees of deeds of trust covering real estate in the State of Maryland. As a traditional matter, there are no requirements relating to the residency of the trustees of deeds of trust, and many of the persons purchasing homes in the area of Maryland which is adjacent to the District of Columbia, find that they obtain their financing from banks and savings and loan associations which are located in the District of Columbia. As a traditional matter, the lending institutions generally appoint one of their executives to serve as trustee of these deeds of trust. It is my understanding that if the State of Maryland were to require that the trustees be residents of the State, this might affect the availability of mortgage money for home mortgages in Maryland. It would not be wise, in light of the present economic conditions, to take any steps which would cause a further scarcity of mortgage funds.

Several attorneys and members of the General Assembly have also expressed to me the fear that serious title questions could be raised with reference to deeds of trust which are presently a matter