

CHAPTER 538

(Senate Bill 585)

AN ACT concerning

Real Property - Affidavit of Disbursement

FOR the purpose of providing that the affidavit of disbursement for mortgages or deeds of trust relates ~~only to the initial amount paid of loans secured by mortgages or deeds of trust~~ to the actual sum of money advanced at the closing transaction.

BY repealing and reenacting, with amendments,

Article - Real Property
Section 4-106(b)(1)
Annotated Code of Maryland
(1981 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland read(s) as follows:

Article - Real Property

4-106.

(b) (1) No purchase-money mortgage or deed of trust involving land, any part of which is located in the State, is valid either as between the parties or as to any third party unless the mortgage or deed of trust contains or has endorsed on, or attached to it at a time prior to recordation, the oath or affirmation of the party secured by the mortgage or deed of trust stating that the ~~INITIAL amount of the loan which the mortgage or deed of trust has been given to secure~~ ACTUAL SUM OF MONEY ADVANCED AT THE CLOSING TRANSACTION BY THE SECURED PARTY was paid over and disbursed by the party secured by the mortgage or 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 execution and delivery of the mortgage or deed of trust by the borrower. However, this subsection does not apply where a mortgage or deed of trust is given to a vendor in a transaction in order to secure payment to him of all or part of the purchase price of the property. The affidavit required by this subsection is required for only that part of the loan that is purchase money and, if the requirements of this