

Senate Bill No. 285

AN ACT concerning

Mortgages and Deeds of Trust – Recitation of Secured Amount

FOR the purpose of providing that a certain provision of law does not apply to certain mortgages and deeds of trust; clarifying the necessity for reciting the secured amount on the face of certain mortgages and deeds of trust; making stylistic changes; providing for the application of this Act; and generally relating to disclosure of the secured amount in mortgages and deeds of trust.

BY repealing and reenacting, with amendments,

Article – Real Property

Section 7-102(a)

Annotated Code of Maryland

(1988 Replacement Volume and 1990 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Real Property

7-102.

(a) (1) No mortgage or deed of trust may be a lien or charge on any property for any principal sum of money in excess of the aggregate principal sum appearing on the face of the mortgage or deed of trust and expressed to be secured by it, without regard to whether or when advanced or readvanced.

(2) [This] PARAGRAPH (1) OF THIS subsection does not apply to a mortgage or deed of trust to:

(I) [indemnify] GUARANTEE the party secured against loss from being an OBLIGEE OF A THIRD PARTY;

(II) INDEMNIFY THE PARTY SECURED AGAINST LOSS FROM BEING AN endorser, guarantor, or surety; or

(III) [to a mortgage or deed of trust to secure an] SECURE A GUARANTEE OR indemnity agreement.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all mortgages and deeds of trust existing on or after July 1, 1991.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1991.