

**CHAPTER 644**

**(House Bill 962)**

AN ACT concerning

**Real Property – Priority of Liens**

FOR the purpose of clarifying that certain changes to an existing mortgage or deed of trust or to an obligation secured by an existing mortgage or deed of trust do not adversely affect the lien priority of the mortgage or deed of trust; and generally relating to priorities of liens on real estate.

BY adding to

Article – Real Property

Section 7-111

Annotated Code of Maryland

(1988 Replacement Volume and 1991 Supplement)

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

**Article – Real Property**

7-111.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, ANY CHANGE OR MODIFICATION TO A MORTGAGE OR DEED OF TRUST OR TO AN OBLIGATION SECURED BY A MORTGAGE OR DEED OF TRUST DOES NOT EXTINGUISH THE EXISTING LIEN OF THE MORTGAGE OR DEED OF TRUST OR OTHERWISE ADVERSELY AFFECT THE EXISTING LIEN PRIORITY OF THE MORTGAGE OR DEED OF TRUST UNLESS THE PRINCIPAL SUM SECURED BY THE MORTGAGE OR DEED OF TRUST IS INCREASED ABOVE THE AMOUNT APPEARING ON THE FACE OF THE MORTGAGE OR DEED OF TRUST AND EXPRESSED TO BE SECURED BY IT.

(B) IF THE CHANGE OR MODIFICATION TO A MORTGAGE OR DEED OF TRUST OR TO AN OBLIGATION SECURED BY A MORTGAGE OR DEED OF TRUST INCREASES THE PRINCIPAL SUM SECURED BY THE MORTGAGE OR DEED OF TRUST ABOVE THE AMOUNT APPEARING ON THE FACE OF THE MORTGAGE OR DEED OF TRUST AND EXPRESSED TO BE SECURED BY IT:

(1) THE EXISTING LIEN PRIORITY OF THE ORIGINAL MORTGAGE OR DEED OF TRUST SHALL CONTINUE AS TO THE PRINCIPAL SUM SECURED BY THE MORTGAGE OR DEED OF TRUST IMMEDIATELY PRECEDING THE CHANGE OR MODIFICATION; AND