

HOUSE BILL 1566

N1

6lr3122
CF 6lr2691

By: **Delegate Queen**

Introduced and read first time: February 13, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Deeds of Trust – Recordation of Assignments**

3 FOR the purpose of clarifying that the holder of a promissory note, other instrument, or
4 other obligation is entitled to the benefits of a recorded deed of trust notwithstanding
5 any person recorded in the land records as the holder of the promissory note, other
6 instrument, or other obligation; and generally relating to mortgages and deeds of
7 trust.

8 BY repealing and reenacting, with amendments,
9 Article – Real Property
10 Section 7–103
11 Annotated Code of Maryland
12 (2023 Replacement Volume and 2025 Supplement)

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

15 **Article – Real Property**

16 7–103.

17 (a) **(1) THIS SUBSECTION DOES NOT APPLY TO A DEED OF TRUST.**

18 **(2)** The title to any promissory note, other instrument, or debt secured by
19 a mortgage, both before and after the maturity of the note, other instrument, or debt,
20 conclusively is presumed to be vested in the person holding the record title to the mortgage.
21 If the mortgage is duly released of record, the promissory note, other instrument, or debt
22 secured by the mortgage, both before and after the maturity of the promissory note, other
23 instrument, or debt, conclusively is presumed to be paid as far as any lien on the property
24 granted by the mortgage is concerned.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **[(b)] (3)** After an assignment of a mortgage is recorded, any payment made by
2 the original mortgagor to the assignor is effective to reduce or discharge the note or debt,
3 unless the mortgagor has received actual notice of the assignment prior to the payment.
4 This provision also applies to a payment by a transferee of the mortgagor's interest in the
5 mortgaged property except where the assignment of the mortgage is of record at the
6 effective date of the transfer of the mortgagor's interest in the mortgaged property.

7 **(B) WHEN A DEED OF TRUST IS RECORDED TO SECURE A PROMISSORY NOTE,**
8 **OTHER INSTRUMENT, OR OTHER OBLIGATION, THE HOLDER OF THE PROMISSORY**
9 **NOTE, OTHER INSTRUMENT, OR OTHER OBLIGATION SECURED BY THE DEED OF**
10 **TRUST IS ENTITLED TO THE BENEFITS OF THE DEED OF TRUST NOTWITHSTANDING**
11 **ANY PERSON RECORDED IN THE LAND RECORDS AS THE HOLDER.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2026.