



To: All New Maryland Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: March 31, 2017
Bulletin No. MD 2017-05
Subject: Montgomery County, Maryland – Recordation of Deeds – Policies and Procedures – Update

For those who record deeds in Montgomery County, Maryland, new policies and procedures are anticipated with respect to certain aspects of the recording process. In particular, the process of recapture of real estate tax credits and exemptions at time of transfer will be adjusted. In addition, a more formalized recording drop off procedure will be established. A summary of anticipated changes recently issued by the Transfer Office is attached [HERE](#).

Recapture of Tax Credits and Exemptions

Careful review of real estate tax records prior to closing continues to be a critical preliminary step in the recording process. Such review is necessary to determine if transfer of property will result in the revocation of a tax credit or tax exemption. In some cases, the Montgomery County Treasury Division will seek to recapture tax where the seller of real property was not entitled receive the benefit of a particular credit or exemption.

New rules pertaining to recapture of one particular tax credit known as the County Property Tax Credit (Income Tax Offset Credit) shall soon be implemented. Through the revised recapture process, Montgomery County will require repayment of the \$692 credit where it is determined that the seller did not occupy the property on June 30 of the calendar year in which the tax levy begins. Recapture may, therefore, apply in cases in which ownership of a home has devolved to the personal representative of an owner who died during the course of a prior year. It may also apply in cases in which an owner occupant has been ousted through foreclosure: transfer of property acquired by a mortgage lender or REO entity through foreclosure may trigger the recapture process. The Treasury Division will provide notice of the new rules in the form of a memorandum to be issued at least 30 days prior to implementation.

Drop off of documents for recording

Improvements will soon be made with respect to the present drop off system through which paper documents are delivered to the Transfer Office by title companies for recording. In order to enhance safety and security, documents shall be handed to a Transfer section employee. Each recording package will be accompanied by an itemized list of documents and checks. The title company employee as well as

the Transfer section representative shall sign the list to acknowledge delivery and receipt of the stated number of documents and checks. The title company employee, upon return to the Transfer office, will sign the list again to indicate receipt of the correct number of documents. The Transfer Office currently plans to provide notice of the new policy by memorandum at least thirty days prior to implementation.

The E- Transfer System

The advantages of E-Transfer are numerous. The system is secure, simple and efficient. The system is provided at no cost to the user and training typically takes thirty minutes or less. Use of the E-Transfer system is strongly encouraged by the Montgomery County Transfer Office.

Simplifile

Montgomery County is presently considering the Simplifile recording system currently used by the Clerk of the Court as a means of streamlining its transfer process. If the system is adopted, ample notice will be provided.

Questions

Should you have questions regarding a particular tax account, you may contact the Treasury Division at (240) 777-8995 (recorationtransfer@mcgov.onmicrosoft.com). Comments regarding new transfer procedures may be communicated via e-mail: Transfer.Fiance@montgomerycountymd.gov. And, as always, please feel free to contact your agency representative or Maryland underwriting counsel should you have issues or concerns that you would like to discuss.

NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.