

# Example: Deed with a purchase money mortgage/deed of trust for recordation

Example: DEED consideration \$394,500.00.  
Purchase Money Deed of Trust or Mortgage \$350,000.00.  
This property is located at 123 Main Street, North East, MD 21901.  
The property will be the principal residency . . . deed states solely principal residence.  
The recording of the documents is taking place in November.  
Not a first-time Maryland homebuyer.

When processing documents for the above example, you should follow the following steps:

- Contact the [Town](#) to see if they have water/sewer and, if so, you will need to order a final bill. Do not rely solely on whether or not the property is within town limits. There are properties located outside of the town limits that receive town water or sewer. **Note: Since this example is for a property in the Town of North East, then you must contact the Town at (410) 287-5801 to obtain a final reading and final water bill from them.**
- Contact the Cecil County Utility (Sewer) Billing Department at 410-996-5390 to determine if the County services the sewer and, if so, you need to ensure the sewer bill is paid current. We do not generate final bills, so we recommend that the current and/or subsequent sewer bill should be addressed in the sales/settlement contract between the buyer and seller by either prorating or negotiating this responsibility. Cecil County is not a party to the sales/settlement contract. Cecil County bills sewer quarterly for the periods ending March, June, September and December and are mailed the following month to the owner of record at that time.
- Check to ensure that the [property taxes](#) are current. If there is a red flag showing on the website, then the property is in tax sale and you must contact our office (410-996-5385) to obtain figures. **Note: Real property taxes must be paid current. If the property is going to be a primary residence, then the first semi-annual tax amount must be current for transfers within the months of July through November. Transfers in December or later, must have the full year taxes paid.**
- View the [State website](#) to determine if the property is agricultural use and whether or not the homeowner is receiving the Homeowners' Tax Credit. Please note that Homeowners' Tax Credits must be recaptured; Homestead Credits are NOT recaptured.

Is the property under [agricultural use](#)? If so, then the State Assessment office must stamp the deed prior to submitting documents to our office for recordation. They may determine that additional taxes are due and payable to the Cecil County Finance Office and, if applicable, furnish you with an agricultural calculation sheet that must be presented with your documents. The local State Assessment information is as follows:

Department of Assessment and Taxation  
170 East Main Street  
Elkton, Maryland 21921  
Hours: 8:00 A.M. to 5:00 P.M.  
(410) 996-2760 Fax: (410) 996-2770  
email at [cec@dat.state.md.us](mailto:cec@dat.state.md.us)

Is there a Homeowners' Tax Credit? If so, then if the date of transfer occurs in the first half of the fiscal year (July - December), then the credit is void and must be recaptured in full. If the date of transfer occurs in the second half of the fiscal year (January - June), then the credit is recaptured in a prorated amount. Contact our office at 410-996-5385 for any recapture amounts.

- If the property is being transferred **from** any type of a corporation (i.e. the grantor in the deed is a business entity), then [business personal property taxes](#) need to be paid current and the business needs to be in [Good Standing](#) with the State of Maryland. Please contact us at 410-996-5385.
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## We will now assume that you have followed these steps above and the following has occurred or has been determined.

- You received a final water bill from the Town of North East in the amount of \$200.00.
- There are sewer bills outstanding from Cecil County in the amount of \$250.00.
- The property taxes have not been paid. The total taxes for the year are \$2,000.00, but only the first half taxes are due. This transfer is occurring in November and the property is going to be the primary residency. The November amount due for the first half taxes is \$1,030.00.
- The property is not agricultural.
- There is no Homeowners' Tax Credit.
- The grantor in the deed is not a business.

### STEPS TO RECORD for this example

- Complete the [Maryland Land Intake](#) sheet.
- Provide a return postage prepaid envelope that is large enough to return your documents.
- Submit your documents (deed, mortgage, Maryland Land Intake sheet and Town water/sewer bill, if applicable) to the [Town of North East](#) along with your check payable to them in the amount of \$200.00 covering the Town water bill.
- Once the Town has stamped the deed, you will complete the [Cecil County Property Transfer Sheet](#) and submit all the documents (deed, mortgage, Maryland Land Intake sheet and Cecil County sewer bill) to [Cecil County Finance Office](#) located at 200 Chesapeake Blvd., Ste. 1100, Elkton, MD 21921. You will also need the following checks:
  - A check payable to Cecil County for \$250.00, which covers the sewer.
  - A check made payable to Cecil County for \$3,234.90 covering the recordation tax.

RECORDATION TAX	
Consideration	394500
divided by 500 rounded up	789
tax rate for the County	4.1
	<u>\$3,234.90</u>

- A check made payable to Cecil County for \$1,972.50 covering the Cecil County Transfer Fee – 0.5%. (394500 x 0.005)
  - A check made payable to Cecil County for \$1,030.00 covering the property taxes.
- Once the Cecil County Finance Office has stamped the Deed and Mortgage, you will submit the documents (deed, mortgage and Maryland Land Intake sheet) to the [Clerk of the Court](#), located at 129 East Main Street, Elkton, MD 21921. You will also need the following checks:
    1. A check made payable to the Clerk of the Court in the amount of \$120.00 covering the State recording fee of \$60.00 for the deed and \$60.00 for the purchase money mortgage . The fee is \$60 for documents that state Solely Principal Residence. See fee structure for the [Clerk of the Court](#).
    2. A check made payable to the Clerk of the Court in the amount of \$1,972.50 (\$394,500 X .005) covering the State Transfer Tax.