

PREFERRED LANGUAGE FOR DOCUMENTS

Updated on March 12, 2007

1. There is no dollar amount threshold for special review of residential deeds.
2. *A deed to change tenancy only* should include the wording: “This deed is to change tenancy only as the grantor and grantee are identical.”
3. *A deed to remove name of a deceased owner* should include the wording: “This deed is for the sole purpose of removing the name of a deceased owner from title.”
4. *A deed for transfers between spouses or former spouses* should include the wording: “This deed transfers an interest in real property between spouses or former spouses and is exempt from county transfer tax pursuant to Section 52-24(f)(1) of the Montgomery County Code and state recordation tax pursuant to Tax-Property 12-108(d), Annot. Cd. Md.”
5. *A deed for transfers between domestic partners or former domestic partners of the same sex* should include the wording: “This deed transfers an interest in real property between domestic partners or former domestic partners of the same sex and is exempt from county transfer tax pursuant to Section 52-24(f)(2) of the Montgomery County Code.” Note: ‘Affidavit of Domestic Partnership’ is also required.
6. *A deed for transfers between relatives for no consideration on free and clear property* should include the wording: “This no consideration deed transfers an interest in real property between relatives (please state relationship). This property is free and clear of all liens, mortgages, encumbrances and deeds of trust. The grantor is not being relieved of any liability and the grantee is not assuming any liability.”
7. *A deed for transfers pursuant to a Will* should include the wording: “This deed transfers an interest in real property under the terms of the grantor’s Will and is exempt from county transfer tax pursuant to Section 52-24(b) of the Montgomery County Code.” Note: Evidence of the provisions in the Will may be required.

8. *Transfers between relatives when property is transferred to the transferor's son, daughter, parent, son-in-law, daughter-in-law, parent-in-law, or grandchild (also the 'step' variety of all of the preceding)* should include the wording: “This deed transfers an interest in real property between relatives (please state relationship) subject to an existing mortgage or deed of trust for which the unpaid principal balance is being assumed and is not taxable. There is no other consideration and there is no refinance transaction at or near the time of this transfer.”
9. *A deed for transfers into a revocable trust* should include the wording: “This no consideration deed transfers an interest in real property to the grantor's revocable trust in which grantor is a primary beneficiary.”
10. *A deed for transfers out of a revocable trust* should include the wording: “This no consideration deed transfers an interest in real property under the terms of the revocable trust in which grantee is a primary beneficiary.”
11. *A deed of trust which qualifies for the refinance exemption* should include the wording: “The grantor is the original mortgagor, the mortgaged property is the principal residence of the original mortgagor, and the amount of the unpaid principal balance of the original mortgage/deed of trust being refinanced is \$-----.”

Note: Unpaid principal balance does NOT include interest or other costs/fees.

12. *A deed of trust refinance by a revocable trust which qualifies for the refinance exemption* should include the wording: “This mortgage/deed of trust secures the refinancing of real property that is the principal residence of the settlor of the trust, is given by the trustee of the trust, that the trustee or settlor originally assumed or incurred the debt secured by the existing deed of trust, and the amount of the unpaid principal balance of the existing mortgage/deed of trust being refinanced is \$-----.”

Note: Unpaid principal balance does NOT include interest or other costs/fees.

13. *An Indemnity Deed of Trust*, to avoid recordation tax, must have a grantor that is not the same as the maker of the note, the grantor must have signed a guaranty of the note, and the *IDOT* must secure only the guarantee.

P.S. We continue to reserve the right to randomly audit any transaction by asking for copies of supporting documents for our review.

