



HOWARD COUNTY DEPARTMENT OF FINANCE

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410-313-2389

Recordation Tax Office
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Notice Regarding Reverse Mortgages

Recordation Tax is collected on the amount advanced under a reverse mortgage and due on future advances, including the accrual of interest on the unpaid balance of the mortgage. In order to properly document the recordation tax due in the future and the recordation tax collected at the time of the deed of trust is recorded, the Recordation Tax Office requests that customers comply with the following when preparing & presenting a deed of trust for a reverse mortgage:

1. The principal limit must be stated & substantiated (ie: loan worksheet or settlement statement)
2. Any refinance deed of trust utilizing 12-108(g) requires a separate signed & notarized affidavit.
3. If the basis for the collection of recordation tax is not the maximum principal amount, the following statement of the obligation to pay additional recordation tax due on any future advance and the accrual of interest on the amount secured by the deed of trust must be provided and acknowledged:

“Within seven (7) days of the occurrence of an event under the deed of trust that causes Borrower to incur debt thereunder, Borrower shall pay to the Howard County Director of Finance the recordation tax due in accordance with Md. Cod Ann., Tax-Prop. §12-105(f)(2).”