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BULLETIN NO. 19-22

DATE: November 27, 2019

TO: All Maryland-licensed title insurance producers

RE: Operation of MAHT Accounts: Aggregate Service Charges

The purpose of this bulletin is to remind all title insurance producers of certain requirements of Section 31.16.03.04. of the Code of Maryland Regulations ("COMAR"). That section states as follows:

A. Account Terms. The terms of a MAHT account require that:

(2) At the time of payment of interest earned to MAHT, the financial institution provides an itemized statement for each MAHT account maintained in that financial institution, which statement shall set forth:

- (a) The interest earned on each MAHT account, and
- (b) If requested by MAHT, an itemized statement of each service charge assessed against the MAHT account.

B. Service Charges.

(2) If the aggregate service charges assessed against a title insurer or title insurance producer on all of its MAHT accounts held in a single financial institution exceed the aggregate interest earned on those MAHT accounts, the title insurer or title insurance producer is liable for payment of those service charges to the extent they exceed the earned interest.

Pursuant to Section 31.16.03.04B (2) of the above regulation, in those cases where the service charges of the financial institution against one or more MAHT accounts exceeds the interest earned on those accounts, those charges must be promptly paid from the producer's operating account to the bank.

Notice is hereby provided that the Maryland Affordable Housing Trust ("the Trust") will, pursuant to COMAR 31.16.03.04B (2), commence billing title agents for any incurred service charges that exceed aggregate interest earned on all MAHT accounts. The Trust will also notify the Insurance Administration when it receives notice from a financial institution that fees have exceeded interest earned on those accounts. The Insurance Administration will coordinate with the Trust in its efforts to monitor those identified agencies for future compliance with these requirements. Failure to monitor and pay service charges that exceed interest earned may result in action by the Administration pursuant to Section 10-126 of the Insurance Article.

Entities subject to this regulation are encouraged to compare account service charges when choosing the financial institution(s) in which to maintain its MAHT account(s).

Please contact Mr. David Zitterbart, Chief of Title Enforcement, by e-mail at david.zitterbart@maryland.gov or by telephone at (410) 468-2144 with any questions you may have regarding the foregoing.

ALFRED W. REDMER, JR.
Commissioner

Signature on original

By: _____
Erica J. Bailey
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