

**Annual Report of Title Insurers and Title Insurance Producers
Calendar Year 2016**

Regulatory requirements:

- A producer must use the interest rate on his or her MAHT account when determining into which account, a MAHT or a non-MAHT account, a transaction will be deposited. *Refer to Attached Chart for Guidance.*
- A bank cannot deduct the following service charges from interest earned on the MAHT account; 1) Deposits of dishonored items, 2) Presentations against insufficient funds, 3) Overdrafts, 4) Certified checks, 5) Account reconciliations, and 6) Wire transfers. (COMAR 31.16.03.04)
- 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.
- The annual report for 2016 is due on or before March 31, 2017.

Missing the deadline will mean that your company will be reported to the Maryland Insurance Administration for failing to comply with the MAHT law and your company will be at risk of penalty, sanction, or other form of legal enforcement which the Insurance Commissioner has the authority to impose under the MAHT regulations (Code of Maryland Regulations (COMAR) 31.16.03.08).

INSTRUCTIONS: (please read these revised instructions thoroughly)

The information reported on the Annual Report should reflect total activity in the account for the entire calendar year for which the form relates.

If you have more than one MAHT account or other (non-MAHT) client account, submit a separate form for each account.

You are not required to report on accounts holding escrowed funds for transactions on properties NOT located in Maryland.

A transaction is the collective deposit of funds from all sources into escrow for that particular closing-regardless of the number of sources of funds. The total number of settlements refers to the number of transactions, escrows, etc., deposited into an account.

You must report information concerning all MAHT accounts that were active at any time during calendar year 2016. This includes accounts at banks which may have been acquired by other banks during the period. For example, if you had a MAHT account at Bank "X" and Bank "X" was acquired by Bank "Y", you need to submit the required information for your MAHT accounts at both Bank "X" and Bank "Y".

Incomplete reports received prior to the due date will be returned via USPS or E-Mail to the address listed on the report.

The following is a partial list of the reasons MAHT will return reports as incomplete:

- Failure to provide a response to one or more requests for information on the report form,
- Failure to sign or failure to include all of the pages for the report form,
- Failure to list the types and amounts of services charges on the account.

If a report is rejected and returned, please correct it and return to MAHT within 5 business days.

2016 Annual Report for Title Insurers and Title Insurance Producers

1. Name of Title Company _____
2. Other name(s) company is doing business as: _____
3. Address: _____

4. Federal Tax Identification Number: _____
5. Phone Number _____
6. E-Mail: _____

7. Name of Contact Person (<i>Print</i>) _____
8. Name & Title of Person Filing Report (<i>Print</i>) _____
9. Signature of Person Filing Report _____
10. Date Submitted: _____ Due by March 31, 2017

11. Number of MAHT escrow accounts _____

MAHT Account:

A Title Insurer or Title Insurance Producer is required by the Maryland Affordable Housing Trust Act to pool client trust accounts in connection with escrows, settlements, closings, or title indemnifications related to properties located in Maryland, if the account for one transaction is expected to generate: (a) \$50 or less in interest or (b) more than \$50 in interest, if the reasonable and customary charges of the financial institution are anticipated to be more than the interest which would be earned on the trust money if *separately deposited*.

12. Number of Non-MAHT escrow accounts _____

Non-MAHT Account:

(Holding Maryland Transactions)

A Title Insurer or Title Insurance Producer is not required by the Maryland Affordable Housing Trust Act to pool client trust accounts in connection with escrows, settlements, closings, or title indemnifications related to properties located in Maryland, if the account for one transaction is expected to generate: (a) more than \$50 in interest and (b) the reasonable and customary charges of the financial institution are not anticipated to be more than the interest which would be earned on the trust money if *separately deposited*.

13. ATTORNEY CERTIFICATION – If you are an Attorney who is **primarily** engaged in the practice of law and solicits, procures, or negotiates title insurance contracts only as an **incident** of the practice of law, please check box below and sign.

(CHECK BOX AND SIGN BELOW TO CERTIFY) I certify that I am currently participating in the Interest on Lawyer Trust Accounts (IOLTA) program for my real estate escrows, settlements and closings that earn \$50 or less in interest.

Signature and Title of attorney providing certification

(Please note that you are not permitted to check the box if you are (i) an Attorney or an association of Attorneys who own, operate, or share interest in a Title Agency or are (ii) an Attorney who is employed by a Title Agency as a Title Insurance Producer or Title Insurance Broker. COMAR 31.16.03.02B(6)(C)(i)&(ii)

14. TITLE PRODUCER CERTIFICATION – If you have no Escrow accounts into which Trust Funds would be deposited, please check the box below.

(CHECK BOX TO CERTIFY) I certify that I do not have a Trust account containing funds which are covered by Maryland Affordable Housing Trust (MAHT) requirements because I am not actively engaged in business activities in Maryland which generate funds covered by the MAHT law and regulations. I further agree to establish a MAHT account at such time as I begin to do business in Maryland which generates funds covered by the MAHT law and regulations.

If you have checked either of the boxes above, you do not need to complete the remainder of the this Report; return this page to:
Maryland Affordable Housing Trust, 7800 Harkins Road, Room 366, Lanham, MD 20706 OR E-Mail to peter.brady1@maryland.gov

Information on MAHT Bank Account

Name of Title Company _____

Name of Bank _____ State _____

MAHT Bank Account Number _____

List the threshold range used to determine which transactions, when placed into this account, will earn \$50 or less in interest: \$ _____ **OR** If **ALL** Maryland Transactions are deposited in this account check here: (Thresholds are determined using the interest rate of your MAHT account [COMAR 31.16.03.03 B(2)])

How often do you re-evaluate this threshold? Monthly Quarterly Other _____

Total number of **SETTLEMENTS** for which deposits were made into the account _____

Total dollar amount of Settlements deposited into the account \$ _____

Total gross interest earned on the account \$ _____

Total "Allowable Only" bank service charges and fees paid/ deducted* \$(_____)

Total net interest earned on this account (remitted to MAHT via your Bank) \$ _____

What is the interest rate(s) your bank pays on this account? _____ %

***Regulations require you to list both the types of amounts of allowable deducted charges for services provided to this account. (See COMAR 31.16.03.04, Operation of MAHT Accounts)**

Deposit Service Fees \$ _____ Check Withdrawal Fees \$ _____ No Fees \$ _____

Stop payment Fees \$ _____ Monthly Maintenance Fees \$ _____ Other \$ _____

Was the account **opened** within the calendar year? Yes _____ No _____

_____ Date

Was the account **closed** during the calendar year? Yes _____ No _____

_____ Date

Was the account inactive, dormant, **OR** remitted to unclaimed property during the calendar year?

Names and Titles of Persons with Access to this Account:

Name _____ Title _____

Describe the purpose of this account: _____

(Example: To hold escrow funds for Maryland real property settlements, closings, refinances, etc.)

Signature: _____ **Date:** _____

Information on Non - MAHT Bank Account

Name of Title Company _____

Name of Bank _____ State _____

Bank Account Number _____

List the threshold range used to determine which transactions, when placed into this account, will earn \$50 or more in interest: \$ _____ (Must be above the MAHT Account Upper Limit)
(Thresholds are determined using the interest rate of your MAHT account [COMAR 31.16.03.03 B(2)])

How often do you re-evaluate this threshold? Monthly Quarterly Other _____

Total number of SETTLEMENTS for which deposits were made into the account _____

Total dollar amount of Settlements deposited into the account \$ _____

Total gross interest earned on the account \$ _____

Total "Allowable Only" bank service charges and fees paid/ deducted* \$(_____)

Total net interest earned on this account \$ _____

What is the interest rate(s) your bank pays on this account? _____ %

***Regulations require you to list both the types of amounts of allowable deducted charges for services provided to this account. (See COMAR 31.16.03.04, Operation of MAHT Accounts)**

Deposit Service Fees \$ _____ Check Withdrawal Fees \$ _____ No Fees \$ _____

Stop payment Fees \$ _____ Monthly Maintenance Fees \$ _____ Other \$ _____

Was the account **opened** within the calendar year? Yes _____ No _____ _____
Date

Was the account **closed** during the calendar year? Yes _____ No _____ _____
Date

Was the account inactive, dormant, **OR** remitted to unclaimed property during the calendar year?

Names and Titles of Persons with Access to this Account:

Name _____ Title _____

Describe the purpose of this account: _____
(Example: To hold escrow funds for Maryland real property settlements, closings, refinances, etc.)

Signature: _____ **Date:** _____

Helpful Hints from MAHT for Calculating the Amount of Interest that a Transaction is Expected to Generate

- Title insurers or title insurance producers must place into an interest bearing MAHT account all trust monies held in connection with real estate settlements, closings, escrows, and title indemnifications that would earn \$50 or less in interest.
- You must return the Annual Report of Title Insurance Companies and Title Insurance Producers by March 31st of each year for both MAHT and non-MAHT accounts.
- The threshold figure that determines whether or not the monies from a transaction should be deposited into a MAHT account should be revisited on a regular basis, as interest rates and "float times" on transactions may fluctuate. The chart below may be used as a guideline in determining a threshold amount.
- When calculating the amount of interest that a transaction may accrue, title insurers and title insurance producers should treat the escrowed funds as if the funds were being placed in their own separate MAHT escrow account and the interest was accruing on that transaction's escrowed funds only. The interest amount should not be calculated as if the funds were earning interest in a regular escrow account where several transactional escrowed monies are commingled and interest is accruing on the total aggregate amount.
- To determine "float time," a title insurer or title insurance producer should review a sample of transactions to determine how long funds remain in the escrow account. A title insurer or title insurance producer may want to ask its bank for assistance in making this determination.
- A transaction is the collective deposit of funds from all sources into escrow for a particular closing - regardless of the number of sources of funds.

Principal Balances Which Earn \$50 in Interest When Held for Various Numbers of Days and at Various Interest Rates

Annual Interest Rate	Number of Days Funds Are Typically Held					
	1 Day	2 Days	3 Days	4 Days	5 Days	6 Days
0.00%	<i>not allowed</i>	<i>not allowed</i>	<i>not allowed</i>	<i>not allowed</i>	<i>not allowed</i>	<i>not allowed</i>
0.10%	18,000,000	9,000,000	6,000,000	4,500,000	3,600,000	3,000,000
0.15%	12,000,000	6,000,000	4,000,000	3,000,000	2,400,000	2,000,000
0.25%	7,200,000	3,600,000	2,400,000	1,800,000	1,440,000	1,200,000
0.35%	5,150,000	2,570,000	1,715,000	1,285,000	1,028,000	857,000
0.50%	3,600,000	1,800,000	1,200,000	900,000	720,000	600,000
0.60%	3,000,000	1,500,000	1,000,000	750,000	600,000	500,000
0.75%	2,400,000	1,200,000	800,000	600,000	480,000	400,000
0.90%	2,000,000	1,000,000	666,750	500,000	400,000	333,250
1.0%	1,800,000	900,000	600,000	450,000	360,000	300,000
1.5%	1,200,000	600,000	400,000	300,000	240,000	200,000
2.0%	900,000	450,000	300,000	225,000	180,000	150,000
2.5%	720,000	360,000	240,000	180,000	144,000	120,000
3.0%	600,000	300,000	200,000	150,000	120,000	100,000
3.5%	514,000	257,000	171,000	129,000	103,000	86,000
4.0%	450,000	225,000	150,000	113,000	90,000	75,000
4.5%	400,000	200,000	133,000	100,000	80,000	67,000

Annual Reports should be returned either by regular mail OR by E-Mail.

By Regular Mail: Maryland Affordable Housing Trust
Dept. of Housing & Community Development
7800 Harkins Road, Room 366
Lanham, Maryland 20706

By E-Mail: peter.brady1@maryland.gov

Any checks to MAHT should be made payable to Maryland Affordable Housing Trust and mailed to:
Dept. of Housing & Community Development
Attn: Central Cashier
P.O. Box 2521
Landover Hills, Maryland 20784

Applicable Laws and Regulations:

The law and regulations governing MAHT are found in:

Housing & Community Development Article, Sections 10-101 to 10-301 of the Annotated Code of Maryland,

Insurance Article Section 22-103 of the Annotated Code of Maryland, and

Code of Maryland Regulations (COMAR) 31.16.03.01-.08.