

MARYLAND AFFORDABLE HOUSING TRUST

Frequently Asked Questions about Title Company Annual Reports and MAHT accounts

Note: MAHT recommends that title insurance producers consult their underwriters if they have questions about their MAHT accounts.

1. Is a MAHT account required?

Answer: The Code of Maryland Regulations ("COMAR") requires that title insurance producers in the State of Maryland have a MAHT account if they make deposits in connection with real estate escrows, settlements, or closings. (see COMAR 31.16.03.03)

2. Is an annual report required?

Answer: A title producer who maintains a MAHT account is required to file an annual report. (see COMAR 31.16.03.06)

3. When is it due?

Answer: The report is due by March 31 for the immediately preceding year ending December 31. (see COMAR 31.16.03.06)

4. To whom should the report be sent?

Answer: The annual report should be emailed to MAHT.DHCD@maryland.gov.

5. How do I get a blank copy of the report?

Answer: Use the following link to obtain a copy from: [Maryland Affordable Housing Trust](http://MarylandAffordableHousingTrust) or send an email to MAHT.DHCD@maryland.gov and an email message will be returned automatically to your email account that contains a blank copy of the annual report. You may also send a letter requesting a copy of the annual report to: MAHT c/o Maryland Department of Housing and Community Development, 7800 Harkins Road, Lanham, MD 20706 and a blank report will be mailed back to you.

6. Who is responsible for submitting the report, the title insurance producer or the bank?

Answer: The title insurance producer is the entity that must file a report. (see COMAR 31.16.03.06)

7. I know my bank sends interest to MAHT. Do I still have to submit an annual report?

Answer: Yes, a title insurance producer must submit an annual report. The requirements for the financial institution can be found at COMAR 31.16.03.04. The annual report is a requirement that is separate from the requirements pertaining to the financial institution's remittance of the interest earned on a MAHT account. (see #2 above)

8. Why does the report ask me to list the amounts and types of service charges?

Answer: MAHT must ensure that any service charges being deducted from the interest earned on MAHT accounts are allowable under COMAR 31.16.03.04 B. You should consult with your bank if your bank statements do not clearly show the amounts and types of services charges on the account. **IMPORTANT INFORMATION:** As of December 14, 2009, your bank can no longer deduct wire transfer fees from the interest earned on the account (see COMAR above).

9. What is a threshold?

Answer: Title Insurance Producers use a threshold to determine whether money from a particular transaction is required to be deposited into a MAHT account or a non-MAHT account. (COMAR 31.16.03.03B Trust Money Deposits):

Trust money from a particular transaction shall be deposited into a MAHT account if, in the reasonable judgement of the title insurer or the title insurance producer, the money (if deposited into a separate MAHT interest bearing account) would earn:

- 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 into a MAHT interest bearing account.

It is recommended that you consult your insurance underwriter for additional guidance on establishing the threshold for your accounts.

10. How does MAHT view thresholds?

Answer: MAHT examines threshold figures closely. Past experience has shown that some producers use incorrect information when calculating their thresholds or continue to use thresholds given to them years ago by their insurance underwriters which are now outdated. Again, we recommend that you consult your underwriter for questions about thresholds.

11. How do I determine if a particular transaction will earn \$50 or less?

Answer: See "[Helpful Hints from MAHT for Calculating the Amount of Interest that a Transaction is Expected to Generate](#)"

12. Am I permitted to deposit all my transactions into my MAHT account and not use a non-MAHT account at all?

Answer: Yes, you are allowed to use only a MAHT account for your Maryland real estate transactions and by doing so you will further the public purpose goals of MAHT.

13. My firm issues title insurance policies and we don't have any escrow accounts. Do I have to file an annual report?

Answer: The Annual Report now contains a section where you can certify that you don't have escrow accounts. You can also provide this certification by checking #2 in the Compliance Determination section of the "Notice of Compliance and MAHT Enrollment Form" found in:

[The Maryland Affordable Housing Trust \(MAHT\) Enrollment Packet](#)

Send the completed form to MAHT.DHCD@maryland.gov.

14. I just received my license that established me as a title insurance producer in Maryland. How do I comply with the MAHT requirements?

Answer: You should send the Compliance and Enrollment Form to MAHT as soon as you open your MAHT account at your bank. You are considered to be in compliance as soon as MAHT receives the form. The form can be found at :

[The Maryland Affordable Housing Trust \(MAHT\) Enrollment Packet](#)

Remember that an Annual Report is due each March 31st for the preceding year ending on December 31. Send the completed form to MAHT.DHCD@maryland.gov.

15. I am an attorney practicing in Maryland and put my escrow closings into my IOLTA account. Is this, OK?

Answer: It depends upon your situation. You may deposit your escrow closings into an IOLTA account 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. The regulations can be found under COMAR 31.16.03.02 B.(6).

16. I have a license to produce title insurance for the State of Maryland, but I am located in a different state. Am I required to have a MAHT account?

Answer: Yes, see #1 above.

17. Does my MAHT account have to be at a Maryland bank?

Answer: No, it is permissible to use an out-of-state financial institution. The approval for out-of-state banks comes from the Depository Applications Unit of the Department of Labor and Licensing and Regulation. This office can be reached at 410-230-6103. Ask them about the approval process to assure that your bank is in compliance with the requirements for MAHT accounts found in the Insurance Article.

18. I owe money to MAHT. Where should I send it?

Answer: Any checks sent to MAHT must be sent to the Maryland Affordable Housing Trust, P.O. Box 2521, Landover Hills, Maryland 20706. Email MAHT.DHCD@maryland.gov for ACH or wire instructions.

19. I keep my Virginia transactions in a separate escrow account. Do I have to list this account in my annual report?

Answer: No, the MAHT law provides that title producers report only on Maryland real estate transactions.

20. I need to choose a financial institution for a MAHT account. Can you make any recommendations?

Answer: MAHT cannot recommend a financial institution. We recommend that you consult with your underwriter if you have questions in this regard.

21. Can you tell me how much interest my bank remitted to MAHT for the year?

Answer: No, you should consult your bank for this information.

22. What do I need to send in to MAHT Finance to respond to the Interest Difference Letter that I received?

Answer: Send MAHT Finance a description of the method used to calculate the Interest and Service Fee amounts entered on the annual report along with copies of the bank statements as proof of the monthly amounts. Some title insurance producers elect to include this documentation with their annual report. If additional information is needed, you will be notified.

23. My bank statements are what I used to fill in my annual report. How can these amounts be wrong?

Answer: Sometimes bank statements may NOT include specific MAHT only Interest and Service fee amounts. This is a common problem with the normal monthly bank statement. You should consult with your bank if necessary.

24. Why do I keep getting letters regarding my annual report being incomplete or wrong?

Answer: If a written reply is not sent in a timely manner, follow-up letters are generated in an attempt to resolve the discrepancy with the annual report. Please reply in writing, using the address referenced in our letter to you, and be sure to include any requested documents. A telephone call is not sufficient. Also, if a revised annual report is submitted, it must include documentation to support any revised amounts.

25. I submitted a revised annual report, and I was contacted again by MAHT stating that more documentation is needed. Why?

Answer: MAHT contacted you again because we could not independently verify the revised amounts on the annual report. It is very important to include documents (usually from the bank) that support any revisions to the amounts on the annual report.

For More Information:

MAHT.DHCD@maryland.gov

Maryland Affordable Housing Trust
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