

**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 31<sup>st</sup> 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
<b>0.00%</b>	<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
5.0%	360,000	180,000	120,000	90,000	72,000	60,000

**For example, if the trust monies separately deposited would earn interest at the annual rate of 0.50% and the funds are typically remain in the escrow account for three days, the maximum amount for transactions placed in MAHT accounts is \$1,200,000.**

**For More Information:**

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<https://dhcd.maryland.gov/HousingDevelopment/Pages/maht/default.aspx>