

INDEMNITY ARISING UNDER THE ENDORSEMENT, OR GUARANTY, OR INDEMNITY AGREEMENT DATES FROM THE DATE OF THE MORTGAGE OR DEED OF TRUST AS AGAINST THE RIGHTS OF INTERVENING PURCHASERS, MORTGAGEES, TRUSTEES UNDER DEEDS OF TRUST, OR [[OTHER]] LIEN CREDITORS, REGARDLESS OF WHETHER THE ADVANCE, ENDORSEMENT, OR GUARANTY WAS OBLIGATORY OR VOLUNTARY UNDER THE TERMS OF THE MORTGAGE OR DEED OF TRUST.

REVISOR'S NOTE: This section presently appears as Art. 21, §7-102 of the Code. It is divided into subsections for organizational purposes. The only other changes are in style.

7-103. PRESUMPTION OF OWNERSHIP OF NOTES.

(A) MORTGAGE DEBT REMAINS WITH MORTGAGEE OF RECORD AFTER TRANSFER OF NOTE.

THE TITLE TO ANY PROMISSORY NOTE, OTHER INSTRUMENT, OR DEBT SECURED BY A MORTGAGE, BOTH BEFORE AND AFTER THE MATURITY OF THE NOTE, OTHER INSTRUMENT, OR DEBT, CONCLUSIVELY IS PRESUMED TO BE VESTED IN THE PERSON HOLDING THE RECORD TITLE TO THE MORTGAGE. IF THE MORTGAGE IS DULY RELEASED OF RECORD, THE PROMISSORY NOTE, OTHER INSTRUMENT, OR DEBT SECURED BY THE MORTGAGE, BOTH BEFORE AND AFTER THE MATURITY OF THE PROMISSORY NOTE, OTHER INSTRUMENT, OR DEBT, CONCLUSIVELY IS PRESUMED TO BE PAID AS FAR AS ANY LIEN ON THE PROPERTY GRANTED BY THE MORTGAGE IS CONCERNED.

(B) PAYMENT TO ORIGINAL MORTGAGOR EFFECTIVE AFTER ASSIGNMENT RECORDED.

AFTER AN ASSIGNMENT OF A MORTGAGE IS RECORDED, ANY PAYMENT MADE BY THE ORIGINAL MORTGAGOR TO THE ASSIGNOR IS EFFECTIVE TO REDUCE OR DISCHARGE THE NOTE OR DEBT, UNLESS THE MORTGAGOR HAS RECEIVED ACTUAL NOTICE OF THE ASSIGNMENT PRIOR TO THE PAYMENT. THIS PROVISION ALSO APPLIES TO A PAYMENT BY A TRANSFEREE OF THE MORTGAGOR'S INTEREST IN THE MORTGAGED PROPERTY EXCEPT WHERE THE ASSIGNMENT OF THE MORTGAGE IS OF RECORD AT THE EFFECTIVE DATE OF THE TRANSFER OF THE MORTGAGOR'S INTEREST IN THE MORTGAGED PROPERTY.

REVISOR'S NOTE: This section presently appears as Art. 21, §7-103 of the Code. It is divided into subsections for organizational purposes. The present reference to "person or body corporate" is proposed for deletion in light of the definition of "person" in §1-101(j). The phrase "deed in the nature of a mortgage" is proposed for deletion in light of the definition of "mortgage" in §1-101(i), which