

Notice required by law: A ground rent lease holder may not collect or attempt to collect ground rent, late fees, interest, collection costs, or any other expenses related to a ground lease that is not registered and posted on the SDAT's online ground rent registry.

FIRST GROUND RENT DEMAND NOTICE (60 Day-Notice)
NOTICE OF DEFAULT & INTENT TO FILE ACTION FOR POSSESSION
(Issued pursuant to MD Code, Real Property § 8-807(c))

Premise Address

Date of Notice:

To (Ground Rent Leasehold Tenant)	
Name(s):	
Last Known Mailing Address:	

REASON FOR THIS NOTICE – PLEASE READ CAREFULLY

You are receiving this notice because ground rent for the above property is in default. The ground lease holder states:

- The ground lease is registered with the Maryland Department of Assessments and Taxation (SDAT) in accordance with Maryland law.
- Ground rent payments are at least six (6) months past due.
- The ground lease holder has the right to seek possession for nonpayment of ground rent.

Due Dates & Amounts of Missing Payments					
Annual Ground Rent Amount					
Payment #	Due Date	Amount Due	Payment #	Due Date	Amount Due
1			4		
2			5		
3			6		

Unless the default is cured in 60 days, the ground lease holder intends to file an action for possession, and you may may be liable for reimbursing the ground lease holder for expenses and costs incurred in connection with the collection of past due ground rent and the filing of the action for possession.

AMOUNT CURRENTLY DUE	
Unpaid Ground Rent	
Late Fees (if authorized)	
Interest (if authorized)	
TOTAL AMOUNT DUE:	

Ground Rent Lease Holder's Name:

MAKE PAYMENT TO	
Name	
Address	

CONTACT INFORMATION FOR QUESTIONS ABOUT THIS NOTICE	
Name	
Address	
Phone Number	
Email (optional)	

<u>IMPORTANT INFORMATION</u>
<ul style="list-style-type: none"> • This notice is being sent at least 60 days before any action for possession may be filed. • If the amount due is paid after this notice and before a later notice is sent, the ground lease holder may be entitled to reasonable late fees, interest, and collection costs not exceeding \$100, if authorized under the ground lease. • You cannot be charged costs for providing this notice. • A holder of a recorded secured interest (lender) may cure the default by paying the amount due

NOTICE DELIVERY

This notice is required to be sent as follows:

- One (1) copy by first-class mail and one (1) copy by certified mail, return receipt requested, to the leasehold tenant's last known address; and
- One (1) copy by first-class mail and one (1) copy by certified mail, return receipt requested, to the premises address (if different from the last known address).

The ground rent leaseholder must use this form developed by SDAT to provide notice the leasehold tenant the required notice under MD Code, Real Property, § 8-807

REGARDING YOUR RIGHTS AND RESPONSIBILITIES UNDER MARYLAND LAW

The ground lease holder is required to register the ground lease with the State Department of Assessments and Taxation and is prohibited from collecting ground rent payments unless the ground lease is registered. If the ground lease is registered, as the owner of this property, you are obligated to pay the ground rent to the ground lease holder. To determine whether the ground lease is registered, you may check the website of the State Department of Assessments and Taxation. It is also your responsibility to notify the ground lease holder if you change your address or transfer ownership of the property.

If you fail to pay the ground rent on time, you are still responsible for paying the ground rent. In addition, if the ground lease holder files an action in court to collect the past due ground rent, you may be required to pay the ground lease holder for fees and costs associated with the collection of the past due ground rent. In addition, the ground lease holder may also file an action in court to take possession of the property, which may result in your being responsible for additional fees and costs and ultimately in your loss of the property. Please note that under Maryland law, a ground lease holder may demand not more than 3 years of past due ground rent, and there are limits on how much a ground lease holder may be reimbursed for fees and costs. If you fail to pay the ground rent on time, you should contact a lawyer for advice.

As the owner of this property, you are entitled to redeem, or purchase, the ground lease from the ground lease holder and obtain absolute ownership of the property. Unless you and the ground lease holder agree to a lesser amount, the amount to redeem your ground lease is \$ _____. If you wish to redeem the ground lease, contact the ground lease holder. If the identity of the ground lease holder is unknown, the State Department of Assessments and Taxation provides a process to redeem the ground lease that may result in your obtaining absolute ownership of the property. If you would like to obtain absolute ownership of this property, you should contact a lawyer for advice.

Redeeming your ground rent?

**The Department of Housing and Community Development offers a
Ground Rent Redemption Loan Program.**

<https://dhcd.maryland.gov/Energy-Home-Repair/Pages/Homeowner-Loans/Ground-Rent-Redemption.aspx>

(301) 429-7409

DHCD.SpecialLoans@maryland.gov

COMPLETING THIS FORM - LEASEHOLDER

(Do not submit this page with the notice to ground rent leasehold tenant; pages 1-3)

FORM INFORMATION AND NOTICE REQUIREMENTS

This form is provided by the Department for use in issuing the notice required under Maryland law prior to filing an action for possession for nonpayment of ground rent. Pursuant to MD Code, Real Property, § 8-807(c), the ground rent leaseholder must use this form to provide the required notice before filing an action for possession for nonpayment of ground rent.

All fields on this form should be completed. The notice includes identifying information for the leasehold tenant and property, the ground lease holder's contact and payment information, and the amount of ground rent claimed to be due. Where applicable, the amount due may include late fees, interest, and other charges if authorized under the ground lease and permitted by law.

The notice includes a section for listing missed payments. This section may be used to reflect the applicable due dates and amounts of unpaid ground rent.

Maryland law establishes requirements regarding how this notice is provided. The notice is required to be sent to the leasehold tenant's last known mailing address and to the premises address as reflected in Department records. If those addresses are different, notice is required to be sent to each address.

The statute also provides that the notice is sent by first-class mail and by certified mail, return receipt requested. This results in a total of four (4) copies of the notice being sent if the tenants' last known mailing address and premise address is different.

This notice is part of a multi-step statutory process. The law establishes timing requirements between notices and before an action for possession may be filed. The law also addresses notice to holders of recorded secured interests, such as lenders, and sets limits on certain fees, costs, and expenses.

The Department provides this form for general informational and compliance purposes. The Department does not determine whether a ground lease holder has met all statutory requirements in any specific case.

For additional information, you may review Maryland Code, Real Property, Title 8, Subtitles 7 & 8. For questions about how the law applies to a specific situation, you may wish to consult a private attorney.