Mortgage States and Deed of Trust States

When someone finances a home, the lender secures the loan to the home by having the borrower sign either a mortgage or a deed of trust. The lender then records the document in the public records were the home is located. The instrument that these documents secure is most commonly called a promissory note. A main purpose for the security instrument is that if the terms are the promissory note are not met by the borrower, the lender can take ownership of the home and sell to it in order recuperate the amount that was lent.

State	Mortgage State	Deed of Trust State
Alabama	Y	Y
Alaska		Y
Arizona	Y	Y
Arkansas	Y	Y
California		Y
Colorado		Y
Connecticut	Y	
Delaware	Y	
D.C.		Y
Florida	Y	
Georgia		Y
Hawaii	Y	
Idaho		Y
Illinois	Y	Y
Indiana	Y	

Iowa	Y	
Kansas	Y	
Kentucky	Y	Y
Louisiana	Y	
Maine		Y
Maryland	Y	Y
Massachusetts		Y
Michigan	Y	Y
Minnesota		Y
Mississippi		Y
Missouri		Y
Montana	Y	Y
Nebraska		Y
Nevada		Y
New Hampshire		Y
New Jersey	Y	
New Mexico		Y
New York	Y	
North Carolina		Y
North Dakota	Y	

Ohio	Y	
Oklahoma	Y	
Oregon		Y
Pennsylvania	Y	
Rhode Island		Y
South Carolina	Y	
South Dakota	Y	Y
Tennessee		Y
Texas		Y
Utah		Y
Vermont	Y	
Virginia		Y
Washington		Y
West Virginia		Y
Wisconsin	Y	
Wyoming		Y

Some states allow both mortgages and deeds of trust.

A main difference is that a mortgage foreclosure proceeding needs to go through the courts. On other hand, a private trust company typically processes a deed of trust foreclosure.

Many states allow either. So, because of the ease of foreclosure, many lenders prefer a deed of trust over a mortgage. If you are going to use one or more of these instruments, it is important to know which should be used in the state where you are intend to use it. The chart above shows which state uses which document and which states use both.