

# HOUSE BILL 1323

I2, I1

11r3059

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By: **Delegates Braveboy and W. Miller**  
Introduced and read first time: March 4, 2011  
Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Mortgage Brokers – Finder’s Fee – Prohibition**

3 FOR the purpose of repealing a certain provision of law that prohibits a mortgage  
4 broker from charging a finder’s fee in any transaction in which the mortgage  
5 broker or an owner, part owner, partner, director, officer, or employee of the  
6 mortgage broker is the lender; and generally relating to mortgage brokers.

7 BY repealing and reenacting, with amendments,  
8 Article – Commercial Law  
9 Section 12–804  
10 Annotated Code of Maryland  
11 (2005 Replacement Volume and 2010 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article – Commercial Law**

15 12–804.

16 (a) A mortgage broker may charge a finder’s fee not in excess of 8 percent of  
17 the amount of the loan or advance.

18 (b) In addition to a finder’s fee, a mortgage broker may charge a borrower for  
19 the actual cost of:

20 (1) Any appraisal, credit report, condominium document, or  
21 subordination agreement document obtained by the mortgage broker at the written  
22 request of the borrower; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1           (2) Any other good or service, as specified in regulations adopted by  
2 the Commissioner, that is required to complete a loan application process and that, at  
3 the written request of the borrower, is paid by the mortgage broker to a third-party  
4 provider of the good or service.

5           (c) A mortgage broker obtaining a mortgage loan with respect to the same  
6 property more than once within a 24-month period may charge a finder's fee only on  
7 so much of the loan as is in excess of the initial loan.

8           (d) The provisions of this section do not apply to:

9                   (1) The charging of fees and charges otherwise permitted under this  
10 title; or

11                   (2) Attorney's fees unless the attorney is functioning as a mortgage  
12 broker.

13           (e) A mortgage broker may not charge a finder's fee in any transaction in  
14 which the mortgage broker or an owner, part owner, partner, director, officer, or  
15 employee of the mortgage broker is [the lender or] an owner, part owner, partner,  
16 director, officer, or employee of the lender.

17           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2011.