

Chapter 374

(House Bill 1471)

AN ACT concerning

Residential Real Property – Real Estate Settlements – Disclosures

FOR the purpose of requiring a certain person who ~~has a connection with the settlement of~~ offers settlement services in connection with residential real estate transactions involving land in the State to comply with certain federal disclosure requirements; ~~altering a certain provision relating to the payment of a commission to a certain person; repealing a certain definition; defining certain terms;~~ and generally relating to real estate settlements.

BY repealing and reenacting, with amendments,
Article – Real Property
Section 14–127
Annotated Code of Maryland
(2003 Replacement Volume and 2009 Supplement)

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

Article – Real Property

14–127.

- (a) (1) In this section the following words have the meanings indicated.
- ~~(2) “Certificate of qualification” has the meaning stated in § 10–101 of this article.~~
- ~~(3)~~ **(2)** “Consideration” includes:
- (i) A fee;
 - (ii) Compensation;
 - (iii) A gift, except promotional or advertising materials for general distribution;
 - (iv) A thing of value;
 - (v) A rebate;

- (vi) A loan; or
- (vii) An advancement of a commission or deposit money.

(3) “LICENSE” HAS THE MEANING STATED IN § 10-101 OF THE INSURANCE ARTICLE.

(4) “RESIDENTIAL REAL ESTATE TRANSACTION” MEANS A TRANSACTION INVOLVING A FEDERALLY RELATED MORTGAGE LOAN AS DEFINED IN 12 U.S.C. § 2602 AND 24 C.F.R. 3500.2.

(5) “TITLE INSURANCE PRODUCER” HAS THE MEANING STATED IN § 10-101 OF THE INSURANCE ARTICLE.

(b) This section does not prohibit:

(1) The payment of a commission to ~~an agent~~ **A TITLE INSURANCE PRODUCER** who has a ~~certificate of qualification~~ **LICENSE**; or

(2) The referral of a real estate settlement business or a professional fee arrangement between attorneys, if the referral or professional fee arrangement does not violate § 17-605 of the Business Occupations and Professions Article.

(c) **(1)** A person who has a connection with the settlement of real estate transactions involving land in the State may not pay to or receive from another any consideration to solicit, obtain, retain, or arrange real estate settlement business.

(2) A PERSON MAY NOT BE CONSIDERED TO BE IN VIOLATION OF PARAGRAPH (1) OF THIS SUBSECTION SOLELY BECAUSE THAT PERSON IS A PARTICIPANT IN AN AFFILIATED BUSINESS ARRANGEMENT, AS DEFINED IN 12 U.S.C. § 2602, AND RECEIVES CONSIDERATION AS A RESULT OF THAT PARTICIPATION AS LONG AS THAT PERSON COMPLIES WITH 12 U.S.C. § 2607(C)(4), 24 C.F.R. 3500.15, AND APPENDIX D TO 24 C.F.R. PART 3500.

(D) A PERSON WHO ~~HAS A CONNECTION WITH THE SETTLEMENT OF OFFERS SETTLEMENT SERVICES IN CONNECTION WITH RESIDENTIAL REAL ESTATE TRANSACTIONS INVOLVING LAND IN THE STATE SHALL COMPLY WITH 12 U.S.C. § 2607(C)(4), 24 C.F.R. 3500.15, AND APPENDIX D TO 24 C.F.R. PART 3500, AS APPLICABLE, REGARDING DISCLOSURES OF AFFILIATED BUSINESS ARRANGEMENTS, AS DEFINED IN 12 U.S.C. § 2602.~~

[(d)] (E) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 6 months or a fine not exceeding \$1,000 or both.

[(e)] (F) Each violation of this section is a separate violation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2010.

Approved by the Governor, May 4, 2010.