

## Chapter 111

(Senate Bill 943)

AN ACT concerning

### Credit Regulation – Mortgage Brokers – Charges

FOR the purpose of authorizing mortgage brokers to charge borrowers for the actual cost of certain ~~services or goods~~ documents obtained by a mortgage broker at the written request of a borrower; authorizing mortgage brokers to charge borrowers for the actual cost of certain other goods or services that are required to complete a loan application process and that, at the written request of a borrower, are paid by a mortgage broker to a certain third-party provider; defining a certain term; and generally relating to fees that may be charged by mortgage brokers.

BY repealing and reenacting, with amendments,  
Article – Commercial Law  
Section ~~12-801~~ and 12-804  
Annotated Code of Maryland  
(2005 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 – Commercial Law

12-801.

(a) In this subtitle the following words have the meanings indicated.

(b) “Borrower” means an individual who obtains a loan or advance of money.

**(C) “COMMISSIONER” MEANS THE COMMISSIONER OF FINANCIAL REGULATION.**

**[(c)] (D)** “Finder’s fee” means any compensation or commission directly or indirectly imposed by a broker and paid by or on behalf of the borrower for the broker’s services in procuring, arranging, or otherwise assisting a borrower in obtaining a loan or advance of money.

**[(d)] (E)** “Lender” means a person defined as a mortgage lender under § 11-501(j)(1)(ii) of the Financial Institutions Article.

**[(e)] (F)** “Mortgage broker” means a person defined as a mortgage lender under § 11–501(j)(1)(i) of the Financial Institutions Article.

**[(f)] (G)** “Person” includes an individual, corporation, business trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

12–804.

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

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

**(1) ANY appraisal ~~or~~, credit report, CONDOMINIUM DOCUMENT, OR SUBORDINATION AGREEMENT DOCUMENT obtained by the mortgage broker AT THE WRITTEN REQUEST OF THE BORROWER; AND**

**(2) ANY OTHER ~~SERVICE OR GOOD~~ GOOD OR SERVICE, AS SPECIFIED IN REGULATIONS ADOPTED BY THE COMMISSIONER, THAT IS REQUIRED TO COMPLETE A LOAN APPLICATION PROCESS ~~THAT~~ AND THAT, AT THE WRITTEN REQUEST OF THE BORROWER, IS PAID ~~OR PAYABLE~~ BY THE MORTGAGE BROKER TO A THIRD-PARTY PROVIDER OF THE ~~SERVICE OR GOOD~~ GOOD OR SERVICE.**

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

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

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

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

(e) A mortgage broker may not charge a finder’s fee in any transaction in which the mortgage broker or an owner, part owner, partner, director, officer, or employee of the mortgage broker is the lender or an owner, part owner, partner, director, officer, or employee of the lender.

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

**Approved by the Governor, April 13, 2010.**