

# HOUSE BILL 102

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HB 1407/10 – ECM

11r1410

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By: **Delegates Stifler and Conaway**  
Introduced and read first time: January 24, 2011  
Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Mortgage Loan Originators – Prohibited Acts**

3 FOR the purpose of prohibiting a person subject to regulation as a mortgage loan  
4 originator from making a payment, threat, or promise to another person for a  
5 certain purpose in connection with a residential mortgage loan; prohibiting a  
6 person subject to regulation as a mortgage loan originator from making a  
7 payment, threat, or promise to an appraiser of a property for a certain purpose  
8 with respect to the value of the property, and from engaging in certain acts or  
9 practices; providing that certain provisions of this Act do not prohibit a person  
10 subject to regulation as a mortgage loan originator from requesting another  
11 person to consider certain information, provide certain details, substantiation,  
12 or explanation of a certain conclusion, or correct certain errors, or from  
13 withholding payment for an appraisal under certain circumstances; providing  
14 that a certain penalty applies to a willful violation of the prohibited acts; and  
15 generally relating to the regulation of mortgage loan originators.

16 BY repealing and reenacting, without amendments,  
17 Article – Financial Institutions  
18 Section 11–617  
19 Annotated Code of Maryland  
20 (2003 Replacement Volume and 2010 Supplement)

21 BY adding to  
22 Article – Financial Institutions  
23 Section 11–624  
24 Annotated Code of Maryland  
25 (2003 Replacement Volume and 2010 Supplement)

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

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



1 **Article – Financial Institutions**

2 11-617.

3 Any person who willfully violates the provisions of this subtitle is guilty of a  
4 felony and, on conviction, is subject to a fine not exceeding \$25,000 or imprisonment  
5 not exceeding 5 years or both.

6 **11-624.**7 **(A) A PERSON SUBJECT TO THIS SUBTITLE MAY NOT:**

8 **(1) MAKE A PAYMENT, THREAT, OR PROMISE, DIRECTLY OR**  
9 **INDIRECTLY, TO ANOTHER PERSON FOR THE PURPOSE OF INFLUENCING THE**  
10 **PERSON TO VIOLATE ANY FEDERAL OR STATE LAW, OR ANY STANDARD OF**  
11 **PROFESSIONAL PRACTICE RECOGNIZED BY THE FEDERAL OR STATE**  
12 **GOVERNMENT, IN CONNECTION WITH A RESIDENTIAL MORTGAGE LOAN; OR**

13 **(2) MAKE A PAYMENT, THREAT, OR PROMISE, DIRECTLY OR**  
14 **INDIRECTLY, TO AN APPRAISER OF A PROPERTY FOR THE PURPOSE OF**  
15 **INFLUENCING THE INDEPENDENT JUDGMENT OF THE APPRAISER WITH**  
16 **RESPECT TO THE VALUE OF THE PROPERTY, OR ENGAGE IN ANY OTHER ACT OR**  
17 **PRACTICE THAT IMPAIRS OR ATTEMPTS TO IMPAIR AN APPRAISER'S**  
18 **INDEPENDENCE, OBJECTIVITY, OR IMPARTIALITY, INCLUDING:**

19 **(I) WITHHOLDING OR THREATENING TO WITHHOLD**  
20 **PAYMENT FOR AN APPRAISAL WITH THE INTENT TO COERCE THE APPRAISER TO**  
21 **AGREE TO A VALUE, RANGE OF VALUES, OR MINIMUM VALUE FOR THE**  
22 **PROPERTY;**

23 **(II) CONDITIONING THE PAYMENT OF AN APPRAISAL FEE**  
24 **ON THE OPINION, CONCLUSION, OR VALUATION TO BE REACHED BY THE**  
25 **APPRAISER; OR**

26 **(III) REQUESTING THE APPRAISER TO REPORT A**  
27 **PREDETERMINED OPINION, CONCLUSION, OR VALUATION.**

28 **(B) THIS SECTION DOES NOT PROHIBIT A PERSON SUBJECT TO THIS**  
29 **SUBTITLE FROM:**30 **(1) REQUESTING ANOTHER PERSON TO:**31 **(I) CONSIDER ADDITIONAL APPROPRIATE INFORMATION;**

1                   **(II) PROVIDE ADDITIONAL DETAILS, SUBSTANTIATION, OR**  
2 **EXPLANATION OF A CONCLUSION MADE BY THE OTHER PERSON; OR**

3                   **(III) CORRECT ERRORS IN AN APPRAISAL REPORT OR OTHER**  
4 **MORTGAGE DOCUMENT; OR**

5                   **(2) WITHHOLDING PAYMENT FOR AN APPRAISAL PENDING**  
6 **RESOLUTION OF AN ACTION BEFORE A FEDERAL OR STATE COURT OR**  
7 **LICENSING BOARD RELATING TO THE APPRAISAL.**

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