

## Article - Commercial Law

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§12–805.

(a) A mortgage broker may not receive any fee in the form of a note, mortgage, or other evidence of indebtedness.

(b) Payment of the finder's fee to the mortgage broker out of the proceeds of the loan is not considered as interest to the lender if the finder's fee is not in excess of that permitted by this subtitle.

(c) If the finder's fee is paid from the proceeds of the loan, the lender shall comply with the disclosure provisions of § 12–106 of this title or the federal Truth in Lending Act and in addition shall advise the borrower, in writing, of the borrower's right to a refund of the finder's fee upon the exercise of any right of rescission of the loan.

(d) (1) A finder's fee may not be charged unless it is pursuant to a written agreement between the mortgage broker and the borrower which is separate and distinct from any other document.

(2) The terms of the proposed agreement shall:

(i) Be disclosed to the borrower before the mortgage broker undertakes to assist the borrower in obtaining a loan or advance of money;

(ii) Specify the amount of the finder's fee; and

(iii) Contain a representation by the mortgage broker that the mortgage broker is acting as a mortgage broker and not as a lender in the transaction.

(3) A copy of the agreement, dated and signed by the mortgage broker and the borrower, shall be provided to the borrower within 10 business days after the date the loan application is completed.

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