

# HOUSE BILL 1511

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SB 203/17 – FIN

8lr2971

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By: **Delegate Mautz (By Request)**

Introduced and read first time: February 9, 2018

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Credit Regulation – Mortgage Brokers – Finder’s Fee**

3 FOR the purpose of ~~repealing~~ altering a certain provision of law limiting the amount of a  
4 finder’s fee that may be charged by a mortgage broker obtaining a mortgage loan  
5 with respect to certain property more than once within a certain time period; and  
6 generally relating to finder’s fees charged by mortgage brokers.

7 BY repealing and reenacting, with amendments,  
8 Article – Commercial Law  
9 Section 12–804  
10 Annotated Code of Maryland  
11 (2013 Replacement Volume and 2017 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
13 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 the  
17 amount of the loan or advance.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

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

8 ~~f(c)~~ A mortgage broker obtaining a mortgage loan with respect to the same  
 9 property more than once within a 24-month period may charge a finder's fee ~~only on so~~  
 10 ~~much of the loan as is in excess of the initial loan~~ **IF THE FEE IS NOT IN EXCESS OF 8%**  
 11 **OF THE INITIAL LOAN AMOUNT WHEN COMBINED WITH THE FINDER'S FEE CHARGED**  
 12 **ON THE INITIAL LOAN AND ON ANY OTHER FINDER'S FEE COLLECTED DURING THAT**  
 13 **24-MONTH PERIOD.**

14 ~~(d) f(e)~~ The provisions of this section do not apply to:

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

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

18 ~~f(e) f(d)~~ A mortgage broker may not charge a finder's fee in any transaction in  
 19 which the mortgage broker or an owner, part owner, partner, director, officer, or employee  
 20 of the mortgage broker is the lender or an owner, part owner, partner, director, officer, or  
 21 employee of the lender.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 23 October 1, 2018.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.