

SB 689 Financial Institutions - Conventional Home

Uploaded by: Catherine OMalley

Position: FAV

BILL NO: Senate Bill 689
TITLE: Financial Institutions - Conventional Home Mortgage Loans - Assumption and Required Disclosures
COMMITTEE: Finance
HEARING DATE: February 20, 2025
POSITION: **SUPPORT**

The Women's Law Center of Maryland is dedicated to ensuring the physical safety, economic security, and bodily autonomy of women throughout the State. The clients that we represent have all experienced intimate partner violence, many of whom also experience financial abuse and unequal standings with their partners. We support Senate Bill 689's attempt to redress one such inequity by requiring financial services providers to include a provision in conventional home mortgage loans authorizing borrowers to assume their spouse's portion of their mortgage following a divorce.

The housing crisis in Maryland has resulted in increased borrowing costs that have pushed home ownership out of reach for many in the state. For those fortunate to be able to own a home, divorce is often the end of that dream. According to the U.S. Government Accountability Office, women – who are already systemically paid less for their work than men – see their household income fall by an average of 41% following a divorce, while men's household income decreases on average by only 23%. Most of the female clients of the Women's Law Center cannot afford to stay in their home following divorce due to current refinance requirements and many, many women stay in dangerous relationships in fear of facing a greater poverty risk than their male counterparts and its resulting homelessness.

The economic costs of divorce fall more heavily on women while studies have shown that, in contrast, many men actually improve their standard of living in postdivorce years. Divorced women face three main gendered inequities; (1) higher economic need and restricted earning capacities with the presence of children; (2) insufficient child maintenance; and (3) disproportionate loss of income, which is rarely fully compensated by spousal maintenance. Children of divorce who are removed from the marital home must grapple with increased instability that often damages their emotional well-being, academic performance, and social connections. By permitting authorized borrowers to assume the property interest of their former partners, this will not only reduce the negative ramifications of divorce on the more vulnerable parties (women and children), but it will also correct systemic discrimination and has the likely outcome of improving banks' bottom lines.

Women have historically been impacted by mortgage discrimination and even today are denied mortgages at higher rates than their male-only counterparts and couples. Despite women – particularly women of color – experiencing higher rates of subprime lending than their male peers, according to the Urban Institute, women actually have lower default rates and are increasingly seen as less risky borrowers by lenders. In consideration of all these factors, as well as a commitment to economic justice, the Women's Law Center urges a favorable finding of SB 689.

The Women's Law Center of Maryland is a non-profit legal services organization whose mission is to ensure the physical safety, economic security, and bodily autonomy of women in Maryland. Our mission is advanced through direct legal services, information and referral hotlines, and statewide advocacy.

MD General Assembly - Margo Cook Testimony (2025-0

Uploaded by: Margo Cook

Position: FAV



Maryland General Assembly – Tuesday, February 18, 2025

Good morning. It is a pleasure to be with you today. My name is Margo Cook, and I serve as President, Wealth and Engagement Planning at Rothschild Capital Partners. I am a Certified Financial Planner®, Certified Divorce Financial Analyst® professional, a Chartered Advisor in Philanthropy®, and a Certified Fund Raising Executive ®.

I grew up right here in Annapolis and attended St. Mary's, before earning my B.B.A. from the University of Miami. Throughout much of my professional career, I have had the privilege of assisting Maryland residents, guiding them through complex financial transitions and helping them secure their financial futures.

I work with divorcing individuals who need financial support nearly every day, as our Divorce Wealth Planning practice comprises a significant portion of my portfolio at Rothschild Capital Partners.

Through my work, I have seen firsthand the financial challenges that individuals—particularly those navigating the complexities of divorce—face when seeking to assume a mortgage on their marital home. These challenges are not only financial but also structural, as various hurdles exist within the mortgage lending system that can make it difficult for a divorcing individual to retain home ownership.

In my experience, some divorcing individuals face difficulties in obtaining a mortgage assumption, even when the terms of their loan permit it. I have spoken with clients who reported encountering the following obstacles:

- Being informed that their mortgage was not assumable, despite loan terms suggesting otherwise.
- Being told they would need to pay significant fees—sometimes tens of thousands of dollars—to assume an existing mortgage.
- Being denied a mortgage assumption despite demonstrating sufficient income to meet ongoing payment obligations.

While I do not suggest that all lenders engage in these practices, market conditions may create an incentive for lenders to prefer refinancing over mortgage assumptions. When interest rates rise, lenders may be more inclined to approve refinances at higher rates than to allow borrowers to retain their existing, lower-interest loans. In some cases, I have observed instances where fees for mortgage assumptions appear to exceed standard administrative costs, adding financial strain for divorcing individuals seeking to maintain homeownership.



House Bill 1018 and Senate Bill 689 would help address these challenges by requiring mortgage lenders, banking institutions, and credit unions to include assumption provisions in all conventional home mortgage loans. These provisions would allow an existing borrower in a divorce proceeding to assume the mortgage of the marital home—provided they meet the lender’s financial qualification requirements—rather than being required to refinance at a higher rate.

The legislation also enhances transparency by requiring lenders to disclose assumption provisions in writing to loan applicants prior to completing a mortgage application. This ensures that borrowers have a clear understanding of their rights and options from the outset.

A key provision of HB 1018 / SB 689 is its retroactive application, ensuring that borrowers with existing conventional mortgages can benefit from the law, rather than limiting relief only to future borrowers. Without this retroactive effect, the bill would fail to protect those most affected—individuals currently navigating divorce who are struggling to maintain homeownership under unfavorable market conditions.

Over the past several years, interest rates have risen dramatically. Many divorcing homeowners currently hold low-interest-rate mortgages, and refinancing at today’s higher rates would impose significant financial hardship. Preserving these existing terms can be the difference between maintaining homeownership or being displaced. For parents, the impact is even greater, as keeping the family home often means preserving stability for their children—allowing them to stay in the same school district, maintain social networks, and remain in a familiar and supportive environment.

In my view, the retroactive application of these bills does not create additional financial risk for lenders. HB 1018 and SB 689 do not require lenders to approve unqualified applicants; financial institutions would retain full discretion to deny an assumption if the borrower does not meet the necessary financial criteria. Rather, this legislation removes barriers to assumption where a borrower is otherwise qualified and ensures that those eligible for an existing mortgage are not unnecessarily forced into a more expensive refinancing arrangement.

By ensuring that mortgage assumptions remain a viable option for divorcing homeowners, HB 1018 and SB 689 address a critical gap in housing and lending policy. This legislation will help prevent unnecessary displacement, support financial stability, and create a fairer and more transparent mortgage assumption process.

SB689_MDWomensCaucus_FAV

Uploaded by: Maryland Women's Caucus

Position: FAV

DEL. DANA JONES, DISTRICT 30A
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DEL. MICHELE GUYTON, DISTRICT 42B
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DEL. JENNIFER WHITE HOLLAND, DISTRICT 10
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At Large

DEL. KYM TAYLOR, DISTRICT 23
At Large

WOMEN LEGISLATORS OF MARYLAND
THE MARYLAND GENERAL ASSEMBLY

February 24, 2025

To: Senator Pamela Beidle, Chair
Senator Antonio Hayes, Vice Chair
Finance Committee

On behalf of the Maryland Women's Caucus, we are proud to express our strong support for **SB689: Financial Institutions - Conventional Home Mortgage Loans - Assumption and Required Disclosures**. This critical legislation ensures that individuals undergoing a divorce have the opportunity to assume a conventional home mortgage loan, providing a much-needed path to financial stability and housing security—issues that disproportionately impact women in Maryland.

For many women, particularly those who are primary caregivers or earn lower incomes than their spouses, divorce can lead to significant financial hardship, including the loss of stable housing. Without the ability to assume an existing mortgage, many women are forced to sell their homes, uproot their families, and face barriers to securing new housing due to financial constraints or lack of an independent credit history. SB689 addresses these challenges by requiring lending institutions to include a provision in conventional home mortgage loans that allows a borrower to assume the mortgage in the event of a divorce, provided they qualify for the loan.

Ensuring that women have a fair opportunity to retain ownership of their homes is essential to promoting financial independence, reducing housing instability, and protecting families from the economic fallout of divorce. Too often, women who have dedicated years to caregiving responsibilities are left at a disadvantage when trying to secure housing on their own. This bill creates a pathway for women to maintain stable housing for themselves and their children, allowing them to remain in their communities, sustain economic security, and avoid the costly burden of refinancing or relocating.

SB689 provides a necessary safeguard that ensures women can continue to build financial security and protect their families' well-being after a divorce. For these reasons, the Maryland Women's Caucus strongly urges the Finance Committee to issue a favorable report for SB689. Thank you for your time and commitment to promoting financial security and stability for Maryland women.

DG Written Testimony_SB0689.docx.pdf

Uploaded by: Senator Gile

Position: FAV

DAWN D. GILE
Legislative District 33
Anne Arundel County

Finance Committee

Chair

Anne Arundel County
Senate Delegation



Miller Senate Office Building
11 Bladen Street, Suite 3 East
Annapolis, Maryland 21401
410-841-3568 · 301-858-3568
800-492-7122 Ext. 3568
Dawn.Gile@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of SB0689 - Financial Institutions - Conventional Home Mortgage
Loans - Assumption and Required Disclosures**

Madame Chair, Mr. Vice Chair, and fellow members of the Senate Finance Committee:

SB0689 would guarantee that all home loans can be “assumed” in cases of divorce.

Background

This bill was inspired by a constituent, Kelly Seely, who found herself in an incredibly difficult situation while going through a divorce. As part of the divorce settlement, Kelly was left with the home that she and her former spouse had purchased together. Determined to provide stability for her children and keep them in the home they had grown up in, Kelly sought to assume the mortgage solely in her name.

Despite meeting all creditworthiness and income requirements, she was initially told that assuming the loan was not an option. Kelly fought tirelessly on behalf of her family, advocating for the ability to take over the mortgage that was already tied to the home she now owned. Eventually, after persistent efforts and a little intervention, she was informed that the loan could, in fact, be assumed. Though she is still in the process of finalizing the assumption, the prospect of securing her family’s future in their home has been a profound relief. Her children will now be able to remain in their community and schools without facing the upheaval of displacement—all because she was able to take over the loan that should have been hers from the outset.

Had Kelly been forced to refinance instead of assuming the loan, the financial impact would have been significant. Like many homeowners who secured their mortgages when interest rates were lower, Kelly would have had to take out a new loan at today’s significantly higher rates. This would have resulted in higher monthly mortgage payments—potentially costing her hundreds of dollars more each month and tens of thousands over the life of the loan. The added financial strain could have forced her to sell her home, displacing her and her children despite her ability to afford the original loan terms.

Kelly’s experience also shed light on a much larger issue: **many lenders themselves are unaware that mortgage assumptions are possible, even under existing law.** Throughout this process, we discovered that many mortgage servicers incorrectly tell borrowers that conventional loans cannot be assumed, despite Fannie Mae and Freddie Mac guidelines explicitly allowing

such assumptions. This lack of awareness among lenders creates unnecessary roadblocks for homeowners—particularly those already navigating the financial and emotional challenges of separation.

Existing Law

An assumable mortgage allows a home loan to be transferred from the original borrower to another party without altering its interest rate or repayment period. For example, if a homeowner has been paying a 15-year mortgage for three years, the person assuming the loan would have twelve years remaining under the same terms.

In contrast, refinancing a mortgage requires obtaining an entirely new loan, often at a higher interest rate and with a different repayment period. By assuming a loan, homeowners can preserve a lower interest rate, potentially saving hundreds of dollars per month and tens of thousands over the life of the loan. For families like Kelly's, this can mean the difference between staying in their home or being forced to leave during an already challenging time.

Certain types of loans, such as those backed by the Federal Housing Administration (FHA), Department of Veterans Affairs (VA), and U.S. Department of Agriculture (USDA), are generally assumable. However, most conventional home loans—which are not backed by a government agency—are not. Within conventional loans, “conforming” loans (those that meet Fannie Mae and Freddie Mac guidelines) are assumable in cases of divorce, while “nonconforming” loans (which do not meet those guidelines) are not.

Conforming loans are subject to a loan limit, which in 2025 is set at \$806,500 for most of Maryland. However, in higher-cost counties—Calvert, Charles, Frederick, Montgomery, and Prince George's—the limit is \$1,149,825. Many nonconforming loans exceed these limits, making them ineligible for assumption. Notably, Anne Arundel County adheres to the lower national threshold despite having areas with a high cost of living, meaning many homeowners in the county are left without the option of assuming a loan in the event of divorce.

Solution

SB0689 would:

1. Ensure that all home loans in Maryland, not already assumable in cases of divorce, become assumable—provided the assuming party continues to meet the loan's creditworthiness and income requirements.
2. Require banking institutions to disclose, in writing, an assumption provision in any conventional home mortgage loan before the loan application is completed.

3. Increase awareness among mortgage servicers and lenders by ensuring clear guidelines and transparency regarding assumption policies, preventing borrowers from being misinformed about their options.

According to the Fiscal Note, SB0689 would not require additional state resources to implement.

For these reasons, I respectfully request a favorable report on SB0689.

SB 689.pdf

Uploaded by: William Steinwedel

Position: FAV



**Senate Bill 689 – Financial Institutions – Conventional Home Mortgage
Loans – Assumption and Required Disclosures
Hearing on February 20, 2025 – Finance Committee
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 689 in response to a request from Senator Dawn Gile.

Maryland Legal Aid (MLA) appreciates the opportunity to testify in support of this vital legislation. We are the state’s largest nonprofit law firm, representing thousands of low-income Marylanders every year in matters related to housing, foreclosure, family law, social security and public benefits. Because SB 689 requires that financial institutions add a provision in mortgages allowing for parties awarded the home in a divorce case to assume the mortgage, MLA testifies in strong support of this bill.

MLA represents homeowners in mortgage foreclosure proceedings. In our experience, it is common for a divorce to make resolving mortgage issues difficult. If the mortgage is only in one of the martial parties’ name, even if the other party is awarded the property, the mortgagor may refuse to speak to the other party in connection to the mortgage loan. This can make it impossible for the party who was awarded the property to communicate with the mortgage company or even pay the mortgage over the phone or online, because some mortgagors refuse to take a payment from a party that is not on the loan.

MLA recently assisted a client in a foreclosure case who faced this situation. She was able to obtain a loan modification to cure the default, but the mortgagor refused to take a telephone or online payment from her because she was not on the loan. Therefore, she was forced to send the mortgage payment via mail, which can cause a lot of difficulties and delay. SB 689 makes it clear that if a party is awarded the property in a divorce and can pay the mortgage, that party can assume the mortgage, which would allow the new owner to pay the mortgage and resolve any issues they have with the mortgagor directly. SB 689 prevents a mortgage default caused simply because a divorce had changed ownership of the property.

This bill makes it easier for a party obtaining a home in a divorce to be able to pay and manage their mortgage payments. MLA strongly supports SB 689. If you need additional information about this bill, please contact William Steinwedel at wsteinwedel@mdlaborg and (410) 951-7643.

SB689 - FWA - MMBBA - Gough.pdf

Uploaded by: DENNIS RASMUSSEN

Position: FWA



**Testimony offered on behalf of:
MARYLAND MORTGAGE BANKERS & BROKERS ASSOCIATION, INC.**

IN SUPPORT, WITH AMENDMENT, OF:
**SB0689 – Financial Institutions – Conventional Home Mortgage Loans –
Assumption and Required Disclosures**
Senate Finance Committee
Hearing – 2/20/2025 at 1:00 PM

The Maryland Mortgage Bankers and Brokers Association, Inc. (“MMBBA”) **SUPPORTS, WITH AMENDMENT, SENATE BILL 869.** While the MMBBA fully supports efforts to enhance fairness and accessibility for homeowners, we respectfully request the removal of the bill’s **retroactive provisions** and recommend a more reasonable implementation timeline to ensure a smooth transition for all stakeholders.

Mandating retroactive application of this requirement will conflict with most existing loan agreements. Retroactive alterations can undermine the integrity of contracts and expose lenders and servicers to legal disputes. **There is a strong argument that a retroactive effect of this bill would be unconstitutional as an impairment of contract rights.** The lenders who make their loans prior to the effective date of the proposed bill believe the contract with a borrower to be interpreted in a certain way (not to permit such assumptions). And the borrowers must understand the same interpretation to apply. Changing that interpretation to apply to existing loans is a major concern.

Additionally, the proposed legislation, with an effective date only six months from its passage, poses significant operational challenges for the lending industry in Maryland. One critical issue is that Fannie Mae’s Uniform Loan Instrument, which standardizes mortgage terms nationwide, would no longer apply to loans originating on residential dwellings in the state. This divergence would require lenders to develop, review, and adopt new loan documents specific to Maryland, a process that typically involves extensive legal, compliance, and system updates. Additionally, lenders would need to train staff, update borrower disclosures, and ensure alignment with servicing practices—all within an unreasonably short timeframe. By comparison, California’s implementation of similar legislation allowed more than two years for industry adoption, acknowledging the complexity and scale of such changes. A similar timeline in Maryland is essential to minimize disruption and ensure a smooth transition for lenders and borrowers alike.

For these reasons, MMBBA **SUPPORTS, WITH AMENDMENT, SB0689.**

Timothy J. Gough
Co-Chair, MMBBA Legislative Committee
tgough@baycapitalmortgage.com - (410) 320-0852

SB0689 - MBA - FWA - GR25.pdf

Uploaded by: Evan Richards

Position: FWA



**SB 689 – Financial Institutions - Conventional Home Mortgage Loans -
Assumption and Required Disclosures
Committee: Senate Finance Committee
Date: February 20, 2025
Position: Favorable with Amendments**

The Maryland Bankers Association (MBA) **SUPPORTS SB 689 WITH AMENDMENTS** that remove the bill's retroactivity clause in Section 2. Maryland banks will face significant challenges implementing the provisions of SB 689 retroactively, and this clause could ultimately impact the sale of mortgages on the secondary market.

Language in SB 689 requires a clause authorizing assumption be entered into every existing conventional home mortgage loan in the State, which means that the terms of an already settled mortgage loan will have to be altered. Typically, mortgage loans are bought, packaged, and sold on the secondary market, which provides liquidity for additional mortgage loans. When these loans are sold, the purchaser buys the loans with the understanding that the loan terms are finalized. If the assumption provision were to be inserted into existing contracts, it is possible that the sale of a mortgage onto the secondary market could be voided. Moving forward, it will be known by mortgage loan purchasers that the loans are indeed assumable.

In addition, since the legislation requires disclosure of the assumption provision, notification will be required. However, since mortgages are often packaged and sold on the secondary market, there will be confusion about who is responsible for notifying the mortgagor that the terms have changed, especially for loans that have been packaged and sold many years ago. Is it the mortgage loan originator? Is it the mortgage loan servicer? The investor who now owns the loan? Should the retroactivity clause be removed, banks can easily comply with disclosures moving forward.

Accordingly, the MBA urges the issuance of a **FAVORABLE** report on SB 689 **WITH AMENDMENTS**.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding more than \$194 billion in deposits in almost 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.

SB 689 - Mortgage Assumption - FWA - REALTORS.pdf

Uploaded by: Lisa May

Position: FWA



SB 689 – Financial Institutions - Conventional Home Mortgage Loans - Assumption and Required Disclosures

Position: Support with Amendments

Maryland REALTORS® supports efforts to keep residents in their homes, particularly when faced with changing life circumstances.

SB 689 would allow existing borrowers to assume another borrower's portion of the mortgage in certain circumstances. This is modeled off similar legislation enacted in California in 2024.

However, the California law applied only prospectively, unlike SB 689. We have significant concerns about the impact, and legality, of retroactively applying these requirements to mortgage agreements that are already in place, and the precedent that would set for future mortgage lending in the state.

We therefore recommend deleting Section 2, beginning on line 31 of page 6 continuing through line 7 of page 7, in its entirety.

If applying this act only prospectively, Maryland REALTORS® would offer support for SB 689.

**For more information contact lisa.may@mdrealtor.org
or christa.mcgee@mdrealtor.org**

SB689_MVLS_Fav_w_Amendments.pdf

Uploaded by: Steven Messmer

Position: FWA



February 18, 2025

TO: The Honorable Senator Pamela Beidle, Chair, Finance Committee
FROM: Steven Messmer, Staff Attorney, Maryland Volunteer Lawyers Service

Susan Francis
EXECUTIVE DIRECTOR

BOARD OF DIRECTORS RE: SB689 – Financial Institutions – Conventional Home Mortgage Loans –
Assumption and Required Disclosures

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The Maryland Volunteer Lawyers Service urges this Committee to favorably report HB 1018. MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters.

This bill prospectively requires conventional mortgages to include a contract provision that would allow someone who received the home in a divorce to assume the mortgage if they qualify.

Currently, under federal law (the Garn-St. Germaine Act), when a property is transferred as part of a divorce, the mortgage company cannot force the parties to refinance or get a new mortgage. They can just keep the mortgage. But, there is no requirement for the mortgage company to change whose name is on the mortgage. So, in some cases, the ex-spouses are forced to choose between being able to keep the mortgage or be able to completely separate their finances.

Having the option to assume the mortgage would mean that more people are able to keep their homes following a divorce which, in turn, promotes financial and emotional stability following a tumultuous event.

The bill has several limitations. First, it only applies to mortgages created after the law takes effect. We would rather it apply regardless of when the mortgage was created. Second, it only requires the ex-spouse to be able to assume the mortgage if they "qualif[y] for the loan." By creating a requirement that is conditional on their subjective approval may be no requirement at all.

For the foregoing reasons, the Maryland Volunteer Lawyers Service urges a **favorable** report of House Bill 1018.

Payal Amin
Tyree Ayers
Shereefat O. Balogun
Brent A. Bolea
Jhonell Campbell
Richard L. Costella
Susan DuMont
Brian Gordon
Nicole M. Lacoste Folks
Lydia E. Lawless
Robin Leone
Anthony May
Michelle McGeogh
Chelsea Ortega
Lelia F. Parker
Angela Russell
Rebecca Sheppard
Syma Ahmad Siddiqui
Sheila J. Stewart
D'Sean Williams-Brown
Emily J. Wilson

SB689_OFR_Letter of Information.docx.pdf

Uploaded by: Amy Hennen

Position: INFO

February 20, 2025

Senate Finance Committee
Chair: Senator Pamela Beidle

Senate Bill 689 - Financial Institutions - Conventional Home Mortgage Loans - Assumption and Required Disclosures

Re: Letter of Information

Senate Bill 689 creates a right to assume a mortgage in the event of divorce. The right to assume a mortgage in the event of divorce already exists for federally backed mortgages (approximately 65% of the mortgage types made in Maryland). This bill would extend the assumption right to the remaining 35%. The Office of Financial Regulation (OFR) supervises mortgage lending in Maryland.

OFR was asked to provide response to the following questions:

- How does OFR enforce existing state lending requirements?

OFR has licensing, examination, investigation, and enforcement authority over mortgage lenders to ensure compliance with state and federal laws. Here's how each function applies:

1. **Licensing** – OFR requires mortgage lenders, brokers, and originators to obtain licenses to operate legally in Maryland. It reviews applications and background checks to ensure applicants meet financial and ethical standards. In FY 2024, OFR licensed 1,127 mortgage lenders. See **FI §§11-506 and 11-509**
2. **Examinations** – OFR conducts periodic and risk-based examinations of licensed mortgage companies to assess compliance with Maryland and federal mortgage lending laws, such as the **Maryland Mortgage Lender Law** and the **Truth in Lending Act (TILA)**. See **FI §11-515(a)**.
3. **Investigations** – The agency investigates consumer complaints and potential violations of mortgage laws, including fraud, predatory lending, and unfair or deceptive practices. See **FI §§2-114 and 11-515(b)**.
4. **Enforcement** – If violations are found, the OFR has the authority to take corrective actions, impose fines, issue cease-and-desist orders, suspend or revoke licenses, and refer cases for legal action. See **FI §2-115(b)**.

This oversight helps protect consumers from fraudulent or abusive lending practices and ensures the integrity of Maryland's mortgage industry.

- Where/how do borrowers file complaints if their lender (or other entity) is not adhering to state requirements?

OFR has a [complaint form](#) in English and Spanish that can be submitted via web form, email, mail, or in person. Once received, OFR logs the complaints, mails the complainant an acknowledgment of receipt of the complaint, and proceeds to investigate the allegations. Complaints are assigned to a Financial Examiner in the Consumer Services Unit who sends a copy of the complaint to the financial service provider for response. The Examiner reviews their response, and may request additional information from the complainant or the financial service provider. The Examiner continues communicating with the parties until they have obtained sufficient information to properly assess the complaint. Once the Examiner concludes work on the complaint (whether by resolution, referral, or otherwise), they mail or email the complainant a closing letter notifying them of the outcome of the investigation.

When determining an appropriate resolution to a complaint, the Examiner considers issues of harm or potential harm to the general public as well as specific to the individual complainant. If the investigation reveals that violations of law have occurred, further action may be taken by OFR. Such actions may include requiring the reimbursement of fees, interest or other consumer restitution, or imposing fines or other civil penalties on the financial service provider. The complaint may also be referred to OFR's Enforcement Unit for further investigation (according to the statutes listed above).

- As for the disclosure requirement in particular, how does OFR enforce that? Does the Office review disclosure documents?

OFR requests and obtains full loan files during an examination and complaint specific documents during a complaint investigation. Documentation required by law, including any disclosures, is reviewed. If errors or omissions are discovered, there is often a resolution (which may involve an informal letter agreement, memorandum of understanding or cease and desist order and the payment of penalties) during the examination or complaint investigation process. However, the matter could become an enforcement action described above.