

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Maryland Department of Labor
(DLS Control No. 20-091)**

Overview and Legal and Fiscal Impact

The regulation specifies the form which a mobile home retailer must use to provide a certain written statement to a prospective consumer borrower.

The regulation presents no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulation of COMAR Affected

Maryland Department of Labor:

Commissioner of Financial Regulation: Credit and Other Regulation:
COMAR 09.03.10.05

Legal Analysis

Background

Chapters 48 and 49 of 2020 established several requirements related to manufactured home financing. Among other requirements, the acts require a mobile home retailer to provide a written disclosure statement to a consumer borrower on a form prescribed by the Office of the Commissioner of Financial Regulation.

The written statement must include (1) a disclosure that describes any corporate affiliation between the mobile home retailer and a financing source about which the mobile home retailer provides information to the consumer borrower; (2) a disclosure that the consumer borrower may obtain financing from any lender and is not required to obtain financing from a lender suggested by the retailer; and (3) information regarding the rights of a consumer borrower and the procedure for filing a complaint with the Commissioner of Financial Regulation.

The proposed regulation is identical to the emergency regulation submitted under DLS Control No. 20-097E.

Summary of Regulation

The regulation establishes the form which a mobile home retailer must use to provide a written statement to a prospective consumer borrower. The form contains certain required disclosures and information related to a borrower's rights, choice of lender, and corporate affiliations, as well as the procedure for filing a complaint with the Commissioner.

Legal Issues

The regulation presents no legal issues of concern.

Statutory Authority and Legislative Intent

The Department of Labor cites § 2-105 of the Business Regulation Article as authority for the regulation. More specifically, § 2-105(c) authorizes the Secretary of Labor to approve regulations proposed by units of the department.

The department also cites §§ 2-105.1, 5-909, 11-203, 11-503, 11-602, 12-104, 12-403(1), and 12-903 of the Financial Institutions Article as authority for the regulation. Section 2-105.1 authorizes the Commissioner to adopt and enforce regulations reasonably necessary to carry out the authority and responsibility of the office of Commissioner. Section 11-203 authorizes the Commissioner to adopt regulations that effectuate provisions related to consumer loans. Section 11-503 authorizes the Commissioner to adopt regulations to carry out the provisions of the Maryland Mortgage Lender Act. Section 11-602 authorizes the Commissioner to adopt regulations that effectuate provisions related to mortgage originators. Section 12-104 authorizes the Commissioner to adopt regulations that effectuate provisions related to check cashing services. Section 12-403 authorizes the Commissioner to adopt regulations that effectuate provisions related to the Maryland Money Transmission Act.

Sections 5-909 and 12-903 have been repealed.

With the exception of the repealed provisions, the cited authority is correct and complete. The regulation complies with the legislative intent of the law.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The regulation implements, in part, Chapters 48 and 49 of 2020 (House Bill 93 and Senate Bill 155, respectively), which establish several requirements related to manufactured home financing. Any fiscal impact has already been assumed in the fiscal and policy notes for House Bill 93 and Senate Bill 155 of 2020. The fiscal and policy notes for those bills assumed no material effect on State finances or operations.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulation has minimal or no impact on small businesses in the State. The Department of Legislative Services concurs and notes that the regulation implements, in part, Chapters 48 and 49 of 2020 – legislation that was assessed to have a minimal effect on small businesses in the accompanying fiscal and policy notes.

Contact Information

Legal Analysis: Nathan W. McCurdy – (410) 946/(301) 970-5350

Fiscal Analysis: Eric F. Pierce – (410) 946/(301) 970-5510