

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	08/06/2020	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 9/25/2020

2. COMAR Codification

Title Subtitle Chapter Regulation

09 03 10 05

3. Name of Promulgating Authority

Department of Labor, Licensing, and Regulation

4. Name of Regulations Coordinator
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5. Name of Person to Call About this Document
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6. Check applicable items:
X- New Regulations

Title 09
DEPARTMENT OF LABOR, LICENSING, AND
REGULATION

Subtitle 03 COMMISSIONER OF FINANCIAL REGULATION

09.03.10 Credit and Other Regulation

Authority: Business Regulation Article, §2-105; Financial Institutions Article, §§2-105.1, 5-909(1), 11-203, 11-503, 11-602, 12-104, 12-403(1), and 12-903(1); Annotated Code of Maryland.

Notice of Proposed Action

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The Commissioner of Financial Regulation proposes to adopt new Regulation .05 under COMAR 09.03.10 Credit and Other Regulation.

Statement of Purpose

The purpose of this action is to enhance consumer rights and protections, provide the form which Mobile Home Retailers must use to provide a written statement to Prospective Consumer Borrowers containing certain disclosures and other information, as well as the procedure for filing a complaint with the Commissioner.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Joseph Cunningham, Director of Legislative Response and Special Projects, Department of Labor, 500 N. Calvert Street, Baltimore, MD 21202, or call 410-230-6094, or email to josephd.cunningham@maryland.gov, or fax to 410-333-

3866. Comments will be accepted through October 26, 2020. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2022

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used: Nondepository Special Fund.

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly: This regulation has no economic impact because, pursuant to newly enacted law (see 49 Md. Laws 2020), this regulation serves to prescribe the form on which Mobile Home Retailers must provide a written statement containing certain disclosures and other information to Prospective Consumer Borrowers in connection with a consumer credit transaction secured by a mobile home. Effort has been made to keep the form length to 1 page to minimize cost and simplify its use

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

This regulation has minimal or no economic impact on small businesses because, pursuant to newly enacted law (see 49 Md. Laws 2020), this regulation serves to prescribe the form on which Mobile Home Retailers must provide a written statement containing certain disclosures and other information to Prospective Consumer Borrowers in connection with a consumer credit transaction secured by a mobile home. Effort has been made to keep the form length to 1 page to minimize cost and simplify its use.

G. Small Business Worksheet:

1a. Consumers, specifically prospective consumer borrowers seeking to finance the purchase of a mobile home, are the intended beneficiaries.

1b. Households are intended beneficiaries of this proposed regulation, but neither their income nor their purchasing power will be affected. Mobile home retailers and mobile home retail sales will be impacted minimally.

1c. Businesses are not the intended beneficiaries of this proposed regulation.

2a. There are small compliance costs associated with this proposed regulation but they are difficult to quantify. In order to comply with the law, businesses will need to reproduce the form for use in each transaction, and they will need to create procedures for use of the form, train their staff to use of the form, and develop use verification procedures to show the form was given to each consumer as required by law. The cost of

doing each of those steps will vary by business and it is anticipated that mobile home retailers will not suffer such adverse consequences from use of the form that would affect their ability to compete – they are merely required to provide a form, promulgated by this proposed regulation, to prospective consumer borrowers regarding their rights at the time of sale, and preventing retailers from steering consumers toward captive finance companies.

2b. None.

3. There is no long-term impact.

4. (1) There is no anticipated effect on the cost of providing goods and services; (2) There is no anticipated effect on the work force; (3) There is no anticipated effect on the cost of housing; (4) There is no anticipated effect on efficiency in production and marketing; (5) There is no anticipated capital investment, taxation, competition, and economic development; and (6) There is an anticipated positive effect on consumer choice because prospective consumer borrowers will be further apprised of their options as they relate to financing the purchase of a mobile home.

Attached Document:

MOBILE HOME RETAIL SALES
FINANCING INFORMATION
DISCLOSURE STATEMENT

[Insert Name of Mobile Home Retailer – Bold Font]

Your Rights

A mobile home retailer has a “duty of good faith and fair dealing” if it provides information about financial products to you as part of your purchase of a mobile home. This duty includes:

- Providing financial information in a way that is not misleading or deceptive; and
- Disclosing all material facts about the financial information provided.

Your mobile home retailer **MAY NOT** direct you to complete a transaction with a financing product that offers you less favorable terms than those that are available from lenders that do not provide the retailer with extra compensation for credit

transactions.

Your Choice of Lender

If you would like to finance your purchase of a mobile home, you may seek and obtain financing from **ANY** lender. You can shop around for financing and are **NOT** required to use the lender or a financial product suggested by your mobile home retailer. There may be other lenders with similar financial products that can meet your needs.

Corporate Affiliation(s) With Identified Sources of Financing [If applicable, insert information in this section]

[Insert Name of Mobile Home Retailer] has a “corporate affiliation” with one or more of the following lenders or other sources for financing that have been provided to you:

[Insert name of each corporate affiliate in **bold font** as required under Annotated Code of Maryland, Commercial Law Article, Section 14–4203(b)(1), and a description of the affiliation]

NOTE: A Mobile Home Retailer has a corporate affiliation with an individual, corporation, trust, partnership, limited liability company, association, joint venture, or any other legal or commercial entity that controls, is controlled by, or is under common control with the Mobile Home Retailer. Should you use an above-referenced entity to finance your purchase of a mobile home, [Insert Name of Mobile Home Retailer] may receive a financial (or other) benefit from your transaction.

Contact the Maryland Commissioner of Financial Regulation

If you believe that your mobile home retailer or financier has violated your rights, **YOU MAY FILE A COMPLAINT** with the Office of the Commissioner of Financial Regulation. To do so:

- Visit the Office’s website:
<http://www.labor.maryland.gov/finance/consumers/frcomplaints.shtml>
- Email the Office’s Consumer Services Unit: DLFRComplaints-LABOR@maryland.gov
- Call the Office’s Consumer Services Unit: **410-230-6077**
- Mail your complaint to the Office: **500 North Calvert Street, Suite 402, Baltimore, Maryland 21202**