

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Department of Labor, Licensing, and Regulation
(DLS Control No. 16-373)**

Overview and Legal and Fiscal Impact

The regulations authorize a person to use a Nationwide Mortgage Licensing System and Registry (NMLS) unique identifier on a specified security instrument or a notice of intent to foreclose, rather than the license number of a mortgage lender or mortgage loan originator.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Department of Labor, Licensing, and Regulation:

Commissioner of Financial Regulation: Recordation of Security Instruments for Residential Property: COMAR 09.03.11.01 and .02

Foreclosure Procedures for Residential Property: COMAR 09.03.12.01 and .02

Legal Analysis

Background

The Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators created NMLS, which began operations in January 2008. The State Regulatory Registry L.L.C., a subsidiary of the Conference of State Bank Supervisors, owns and operates NMLS.

NMLS was originally established to provide a platform for mortgage licensing. The goal of NMLS is to employ the benefits of local, state-based financial services regulation on a nationwide platform that provides for improved coordination and information sharing among regulators, increased efficiencies for industry, and enhanced consumer protection. More recently, NMLS has been expanded to accommodate other categories of licenses. As a result of State legislation, the Commissioner of Financial Regulation transferred to NMLS all mortgage lender and originator licenses in 2009 and 2010 and money transmitter licenses in 2012.

Summary of Regulations

The regulations authorize a person to use the NMLS unique identifier of a mortgage lender licensee or a mortgage loan originator licensee, rather than the Maryland mortgage lender license number or the Maryland mortgage loan originator license number, in (1) an instrument to be recorded that secures a mortgage loan on a residential property or (2) a notice of intent to foreclose on owner-occupied residential property.

Legal Issues

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The Department of Labor, Licensing, and Regulation cites §§ 3-104.1 and 7-105.1 of the Real Property Article as statutory authority for the regulations. More specifically, § 3-104.1(c) requires the Commissioner of Financial Regulation to adopt regulations to implement provisions of law that require specified information in an instrument to be recorded that secures a mortgage loan on a residential property. Section 7-105.1(c)(4)(ii)7. requires a notice of intent to foreclose on a residential property to include any additional information the Commissioner requires by regulation, and § 7-105.1 authorizes the Commissioner to adopt additional regulations necessary to carry out the procedures regarding residential property foreclosure.

This authority is correct and complete. The regulations comply 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 department advises that the regulations have no impact on State or local governments. The Department of Legislative Services concurs.

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 regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

Contact Information

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