
By: Chairman, Commerce and Government Matters Committee (Departmental - Labor, Licensing and Regulation)

Introduced and read first time: January 17, 1996

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Mortgage Lenders - Frequency of Examination by the Commissioner of Consumer Credit**

3 FOR the purpose of eliminating the requirement that the Commissioner of Consumer
4 Credit examine the business of each licensed mortgage lender at least once every 3
5 years; providing that the Commissioner examine the business of each licensed
6 mortgage lender in accordance with a schedule to be established by the
7 Commissioner; and generally relating to mortgage lenders.

8 BY repealing and reenacting, with amendments,
9 Article - Financial Institutions
10 Section 11-515
11 Annotated Code of Maryland
12 (1992 Replacement Volume and 1995 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Financial Institutions**

16 11-515.

17 (a) The Commissioner shall examine the business of each licensee:

18 (1) [At least once every 3 years] IN ACCORDANCE WITH A SCHEDULE
19 ESTABLISHED BY THE COMMISSIONER; and

20 (2) At any OTHER time that the Commissioner reasonably considers
21 necessary.

22 (b) (1) Any person aggrieved by the conduct of a licensee under this subtitle in
23 connection with a mortgage loan may file a written complaint with the Commissioner who
24 shall investigate the complaint.

25 (2) The Commissioner may make any other investigation of any person if the
26 Commissioner has reasonable cause to believe that the person has violated any provision
27 of this subtitle, of any regulation adopted under this subtitle, or of any other law
28 regulating mortgage loan lending in the State.

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1 (c) A licensee shall pay to the Commissioner a fee of not more than \$100 per day
2 for each of the Commissioner's employees engaged in:

3 (1) An examination required under subsection (a)(1) of this section; and

4 (2) Any other examination or investigation conducted under this section
5 that results in the discovery of a violation of this subtitle by the licensee.

6 (d) In connection with an examination or investigation made under this section,
7 the Commissioner may:

8 (1) Examine the books and records of any licensee or of any other person
9 who the Commissioner believes has violated any provision of this subtitle, or any rule or
10 regulation adopted under this subtitle, or of any other law regulating mortgage loan
11 lending in the State;

12 (2) Subpoena documents or other evidence; and

13 (3) Summon and examine under oath any person whose testimony the
14 Commissioner requires.

15 (e) (1) If any person fails to comply with a subpoena or summons of the
16 Commissioner under this subtitle or to testify concerning any matter about which the
17 person may be interrogated under this subtitle, the Commissioner may file a petition for
18 enforcement with the circuit court for any county.

19 (2) On petition by the Commissioner, the court may order the person to
20 attend and testify or produce evidence.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 1996.