
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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 12, 1996

CHAPTER ____

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) ~~(1)~~ The Commissioner shall examine the business of each licensee:

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

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

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1 (2) THE SCHEDULE ESTABLISHED BY THE COMMISSIONER UNDER
2 PARAGRAPH (1)(I) OF THIS SUBSECTION SHALL TAKE INTO ACCOUNT:

3 (I) THE LENGTH OF TIME THE LICENSEE HAS BEEN ENGAGED IN
4 BUSINESS AS A MORTGAGE LENDER;

5 (II) ANY PRIOR VIOLATIONS BY THE LICENSEE OF THE MORTGAGE
6 LENDING LAW OR REGULATIONS;

7 (III) THE NATURE AND NUMBER OF ANY COMPLAINTS MADE
8 AGAINST THE LICENSEE; AND

9 (IV) THE RESULT OF FINDINGS FROM ANY PRIOR EXAMINATION OF
10 THE LICENSEE.

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

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

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

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

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

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

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

29 (2) Subpoena documents or other evidence; and

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

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

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

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