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By: Delegate La Vay
Introduced and read first time: February 2, 1996
Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Credit Regulation - Mortgage Brokers - Fees**

3 FOR the purpose of authorizing a mortgage broker to charge a borrower, as part of a loan
4   application fee, for the actual cost of any lock-in fees paid by themortgage broker
5   on behalf of the borrower in connection with the loan; and generallyrelating to
6   mortgage brokers.

7 BY repealing and reenacting, with amendments,
8   Article - Commercial Law
9   Section 12-804
10   Annotated Code of Maryland
11   (1990 Replacement Volume and 1995 Supplement)

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

14   **Article - Commercial Law**

15 12-804.

16   (a) A mortgage broker may charge a finder's fee not in excess of 8 percent of the
17 amount of the loan or advance.

18   (b) A mortgage broker may charge a loan application fee not in excess of the
19 actual cost of:

20   (1) [any] ANY appraisal or credit report obtained by the mortgage broker;
21 AND

22   (2) ANY LOCK-IN FEES PAID BY THE MORTGAGE BROKER ON BEHALF
23 OF THE BORROWER IN CONNECTION WITH THE LOAN.

24   (c) A mortgage broker obtaining a mortgage loan with respect to the same
25 property more than once within a 24-month period may charge a finder's fee only on so
26 much of the loan as is in excess of the initial loan.

27   (d) The provisions of this section do not apply to:

28   (1) The charging of fees and charges otherwise permitted under this title; or

1   (2) Attorney's fees unless the attorney is functioning as a mortgage broker.

2   (e) A mortgage broker may not charge a finder's fee in any transaction in which
3 he is the lender, a partner of the lender, or is a part owner of the lender.

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