
By: Senator Boozer

Introduced and read first time: January 22, 1997

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Mortgage Brokers - Refund of Finder's Fee**

3 FOR the purpose of providing that a borrower is entitled to a refund of any finder's fee
4 paid to a mortgage broker if the lender with which the mortgage broker places the
5 loan violates certain provisions of law governing secondary mortgage loans and
6 extensions of closed-end credit.

7 BY repealing and reenacting, with amendments,
8 Article - Commercial Law
9 Section 12-806
10 Annotated Code of Maryland
11 (1990 Replacement Volume and 1996 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 12-806.

16 A borrower is entitled to a refund of any finder's fee paid to a mortgage broker if:

17 (1) The loan transaction is not made to the borrower; [or]

18 (2) The borrower exercises his right to rescind the loan transaction under
19 the federal Truth-in-Lending Act or any similar federal or State law; OR

20 (3) THE LENDER WITH WHICH THE MORTGAGE BROKER PLACES THE
21 LOAN VIOLATES ANY PROVISION OF SUBTITLE 4 OR SUBTITLE 10 OF THIS TITLE.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 1997.