

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 245 (Senator Boozer)
Finance

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

This bill provides that a borrower is entitled to a refund of any finder's fees paid to a mortgage broker if the lender of the mortgage loan violates the laws governing the credit provisions of secondary mortgage loans or the extension of closed-end credit.

Fiscal Summary

State Effect: None. The bill does not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: Minimal effect on mortgage brokers, the majority of which are small businesses. To the extent that mortgage lenders violate second mortgage or close-end credit provisions of the law, mortgage brokers may be required to refund the borrower's finder's fee. The Office of Financial Regulation advises that seven violations required enforcement action in calendar 1996.

Information Source(s): Department of Labor, Licensing and Regulation (Office of Financial Regulation)

Fiscal Note History: First Reader - January 30, 1997
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