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By: **Senator Bromwell**

Introduced and read first time: February 5, 1999

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Commercial Law - Mortgage Loan Settlement Fees for Photocopying and**  
3                                   **Electronic Facsimile Transmittal Services - Actual Costs**

4 FOR the purpose of prohibiting a lender or credit grantor from imposing settlement  
5 fees on certain first and second mortgage loan borrowers for photocopying or  
6 electronic facsimile transmittal services that are more than the actual cost  
7 incurred by the person that performs the photocopying or electronic facsimile  
8 transmittal services under certain circumstances; and generally relating to  
9 mortgage loan settlement fees for photocopying and electronic facsimile  
10 transmittal services.

11 BY adding to  
12 Article - Commercial Law  
13 Section 12-127, 12-411.1, 12-925, and 12-1029  
14 Annotated Code of Maryland  
15 (1990 Replacement Volume and 1998 Supplement)

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

18                                   **Article - Commercial Law**

19 12-127.

20 (A) THIS SECTION APPLIES ONLY TO A LOAN THAT IS:

21 (1) SECURED BY A MORTGAGE OR DEED OF TRUST ON THE BORROWER'S  
22 PRIMARY RESIDENCE; AND

23 (2) NOT A COMMERCIAL LOAN.

24 (B) SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION, A  
25 LENDER THAT IMPOSES SETTLEMENT FEES ON A BORROWER FOR PHOTOCOPYING  
26 OR ELECTRONIC FACSIMILE TRANSMITTAL SERVICES MAY NOT CHARGE MORE THAN  
27 THE ACTUAL COST INCURRED BY THE PERSON THAT PERFORMS THE PHOTOCOPYING  
28 OR ELECTRONIC FACSIMILE TRANSMITTAL SERVICES.

1 (C) THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION APPLY TO  
2 PHOTOCOPYING AND ELECTRONIC FACSIMILE TRANSMITTAL SERVICES THAT ARE  
3 PERFORMED BY:

4 (1) THE LENDER;

5 (2) THE ATTORNEY WHO PERFORMS ANY SETTLEMENT OR DOCUMENT  
6 REVIEW SERVICES; AND

7 (3) THE TITLE INSURANCE COMPANY.

8 12-411.1.

9 (A) THIS SECTION APPLIES ONLY TO A LOAN THAT IS:

10 (1) SECURED BY A MORTGAGE OR DEED OF TRUST ON THE BORROWER'S  
11 PRIMARY RESIDENCE; AND

12 (2) NOT A COMMERCIAL LOAN.

13 (B) SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION, A  
14 LENDER THAT IMPOSES SETTLEMENT FEES ON A BORROWER FOR PHOTOCOPYING  
15 OR ELECTRONIC FACSIMILE TRANSMITTAL SERVICES MAY NOT CHARGE MORE THAN  
16 THE ACTUAL COST INCURRED BY THE PERSON THAT PERFORMS THE PHOTOCOPYING  
17 OR ELECTRONIC FACSIMILE TRANSMITTAL SERVICES.

18 (C) THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION APPLY TO  
19 PHOTOCOPYING AND ELECTRONIC FACSIMILE TRANSMITTAL SERVICES THAT ARE  
20 PERFORMED BY:

21 (1) THE LENDER;

22 (2) THE ATTORNEY WHO PERFORMS ANY SETTLEMENT OR DOCUMENT  
23 REVIEW SERVICES; AND

24 (3) THE TITLE INSURANCE COMPANY.

25 12-925.

26 (A) THIS SECTION APPLIES ONLY TO A LOAN THAT IS:

27 (1) SECURED BY A MORTGAGE OR DEED OF TRUST ON THE BORROWER'S  
28 PRIMARY RESIDENCE; AND

29 (2) NOT A COMMERCIAL LOAN.

30 (B) SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION, A  
31 CREDIT GRANTOR THAT IMPOSES SETTLEMENT FEES ON A BORROWER FOR  
32 PHOTOCOPYING OR ELECTRONIC FACSIMILE TRANSMITTAL SERVICES MAY NOT  
33 CHARGE MORE THAN THE ACTUAL COST INCURRED BY THE PERSON THAT

1 PERFORMS THE PHOTOCOPYING OR ELECTRONIC FACSIMILE TRANSMITTAL  
2 SERVICES.

3 (C) THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION APPLY TO  
4 PHOTOCOPYING AND ELECTRONIC FACSIMILE TRANSMITTAL SERVICES THAT ARE  
5 PERFORMED BY:

6 (1) THE CREDIT GRANTOR;

7 (2) THE ATTORNEY WHO PERFORMS ANY SETTLEMENT OR DOCUMENT  
8 REVIEW SERVICES; AND

9 (3) THE TITLE INSURANCE COMPANY.

10 12-1029.

11 (A) THIS SECTION APPLIES ONLY TO A LOAN THAT IS:

12 (1) SECURED BY A MORTGAGE OR DEED OF TRUST ON THE BORROWER'S  
13 PRIMARY RESIDENCE; AND

14 (2) NOT A COMMERCIAL LOAN.

15 (B) SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION, A  
16 CREDIT GRANTOR THAT IMPOSES SETTLEMENT FEES ON A BORROWER FOR  
17 PHOTOCOPYING OR ELECTRONIC FACSIMILE TRANSMITTAL SERVICES MAY NOT  
18 CHARGE MORE THAN THE ACTUAL COST INCURRED BY THE PERSON THAT  
19 PERFORMS THE PHOTOCOPYING OR ELECTRONIC FACSIMILE TRANSMITTAL  
20 SERVICES.

21 (C) THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION APPLY TO  
22 PHOTOCOPYING AND ELECTRONIC FACSIMILE TRANSMITTAL SERVICES THAT ARE  
23 PERFORMED BY:

24 (1) THE CREDIT GRANTOR;

25 (2) THE ATTORNEY WHO PERFORMS ANY SETTLEMENT OR DOCUMENT  
26 REVIEW SERVICES; AND

27 (3) THE TITLE INSURANCE COMPANY.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 1999.