
By: **Delegates Wood, Harrison, Kirk, Krebs, Love, Miller, Minnick, Moe,
Taylor, and Vaughn**

Introduced and read first time: February 12, 2004

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Mortgage Brokers - Finder's Fees**

3 FOR the purpose of altering a certain definition to clarify that a finder's fee means
4 compensation or commission imposed by a mortgage broker and paid by or on
5 behalf of a borrower for a mortgage broker's services and does not include
6 compensation or commission directly or indirectly imposed or received by a
7 person named as the lender in an agreement, note, mortgage, deed of trust, or
8 other evidence of indebtedness; making a technical correction; providing for the
9 application of this Act; and generally applying to a finder's fee for a mortgage
10 broker.

11 BY repealing and reenacting, with amendments,
12 Article - Commercial Law
13 Section 12-801
14 Annotated Code of Maryland
15 (2000 Replacement Volume and 2003 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 12-801.

20 (a) In this subtitle the following words have the meanings indicated.

21 (b) "Borrower" means an individual who obtains a loan or advance of money.

22 (c) (1) "Finder's fee" means any compensation or commission directly or
23 indirectly imposed by a MORTGAGE broker and paid by or on behalf of the borrower
24 for the MORTGAGE broker's services in procuring, arranging, or otherwise assisting a
25 borrower in obtaining a loan or advance of money.

26 (2) "FINDER'S FEE" DOES NOT INCLUDE COMPENSATION OR
27 COMMISSION DIRECTLY OR INDIRECTLY IMPOSED OR RECEIVED BY A PERSON

1 NAMED AS THE LENDER IN AN AGREEMENT, NOTE, MORTGAGE, DEED OF TRUST, OR
2 OTHER EVIDENCE OF INDEBTEDNESS.

3 (d) "Lender" means a person defined as a mortgage lender under §
4 11-501(j)(1)(ii) of the Financial Institutions Article.

5 (e) "Mortgage broker" means a person defined as a mortgage [lender]
6 BROKER under [§ 11-501(j)(1)(i)] § 11-501 of the Financial Institutions Article.

7 (f) "Person" includes an individual, corporation, business trust, estate, trust,
8 partnership, association, two or more persons having a joint or common interest, or
9 any other legal or commercial entity.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall not be
11 construed to apply to fees charged by a person named as a lender in a note, mortgage,
12 deed of trust, or other evidence of indebtedness, which are governed by subtitles other
13 than Title 12, Subtitle 8 of the Commercial Law Article.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 June 1, 2004.