

Department of Legislative Services  
Maryland General Assembly  
2004 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 75

(Delegate Ramirez, *et al.*)

Economic Matters

Finance

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Commercial Law - Credit Regulation - Statements of Loan Payments Furnished  
by Lenders

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This bill establishes a timeframe, within five business days after receiving written request from a borrower or the borrower's authorized representative, by which a lender that receives scheduled monthly periodic payments on more than five loans secured by an interest in real property must furnish a written statement to the borrower of the amount needed to pay off the mortgage. The bill also requires the lender to furnish a complete accounting of the loan within a reasonable time, up to 45 days. A violation is subject to enforcement by the Commissioner of Financial Regulation.

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Fiscal Summary

**State Effect:** Enforcement could be handled with the existing budgeted resources of the Commissioner of Financial Regulation and the Office of the Attorney General.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** At least annually and, on request of the borrower, at any other reasonable time or interval, a lender who receives periodic payments on more than five loans secured by an interest in real property must furnish the borrower with a written statement informing the borrower of the amounts credited in each payment to principal and interest and the amount required to pay off the loan.

The commissioner may suspend or revoke the license of any licensee if the licensee or any owner, director, officer, member, partner, stockholder, employee, or agent of the licensee violates any law regulating mortgage loan lending. The commissioner may enforce these provisions by issuing a cease and desist order, issuing an order requiring the violator to take affirmative corrective action, and imposing a civil penalty of up to \$1,000 for each violation.

**Background:** By regulation, within a reasonable time after receiving a written request from the borrower, not exceeding 45 days, a mortgage lender must provide the borrower a statement containing: (1) all payments made on the loan; (2) all amounts credited to principal and interest; and (3) any other charges.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2004  
mam/mdr Revised - House Third Reader - April 1, 2004

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