

# HOUSE BILL 1121

I4, C2

8lr2180

---

By: **Delegates McKee and Shank**

Introduced and read first time: February 7, 2008

Assigned to: Economic Matters

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Mortgage Servicers - On-Line Payments**

3 FOR the purpose of requiring a servicer of certain mortgages to maintain, or cause to  
4 be maintained, an Internet website for receiving mortgage payments  
5 electronically; prohibiting a servicer of certain mortgages from charging a  
6 mortgagor a transaction fee to make a mortgage payment electronically on the  
7 servicer's Internet website; and generally relating to mortgage servicing.

8 BY repealing and reenacting, with amendments,  
9 Article - Commercial Law  
10 Section 13-316  
11 Annotated Code of Maryland  
12 (2005 Replacement Volume and 2007 Supplement)

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

15 **Article - Commercial Law**

16 13-316.

17 (a) (1) In this section the following terms have the meanings indicated.

18 (2) "Mortgage" includes a mortgage, deed of trust, security agreement,  
19 or other lien on 1 to 4 family residential real estate located in this State.

20 (3) "Servicer" means a person responsible for collection and payment  
21 of principal, interest, escrow, and other moneys under an original mortgage.

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) Within 7 days of acquiring mortgage servicing, a servicer shall send to  
2 the mortgagor a written notice containing the following information regarding the  
3 mortgage on the date of transfer:

4 (1) The name, address, and telephone number of the new servicer and  
5 the address where mortgage payments are to be forwarded;

6 (2) The principal balance and escrow balance;

7 (3) The telephone number of the contact designated under subsection  
8 (c) of this section;

9 (4) The responsibilities of the contact under subsection (c) of this  
10 section; and

11 (5) A statement that the servicer's violation of this section will result  
12 in the servicer being held liable under subsection (e) of this section.

13 (c) (1) A servicer shall designate a contact to whom mortgagors may  
14 direct complaints and inquiries.

15 (2) The contact shall respond in writing to each written complaint or  
16 inquiry within 15 days if requested.

17 (d) A servicer shall make timely payments of the taxes or insurance  
18 premiums due under the mortgage so long as the mortgagor has paid an amount  
19 sufficient to pay the tax or insurance premium due and, with regard to the taxes, so  
20 long as the servicer is in possession of either the tax bill or notice from the taxing  
21 authority.

22 (e) (1) If a servicer fails to comply with any provision of this section, the  
23 servicer is liable for any economic damages caused by the violation.

24 (2) The penalties provided in this section are in addition to any other  
25 applicable remedies.

26 (f) A servicer shall provide a toll-free telephone number through which any  
27 borrower residing in this State may direct telephone inquiries on outstanding loans  
28 during regular business hours.

29 **(G) (1) A SERVICER SHALL MAINTAIN, OR CAUSE TO BE MAINTAINED,**  
30 **AN INTERNET WEBSITE FOR RECEIVING MORTGAGE PAYMENTS**  
31 **ELECTRONICALLY.**

32 **(2) A SERVICER MAY NOT CHARGE A MORTGAGOR A**  
33 **TRANSACTION FEE TO MAKE A MORTGAGE PAYMENT ELECTRONICALLY ON THE**  
34 **SERVICER'S INTERNET WEBSITE.**

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   October 1, 2008.