

**Department of Legislative Services**  
Maryland General Assembly  
2008 Session

**FISCAL AND POLICY NOTE**

House Bill 1121  
Economic Matters

(Delegates McKee and Shank)

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

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This bill requires mortgage servicers to provide an Internet web site for receiving mortgage payments electronically and prohibits such servicers from charging a mortgagor a transaction fee to make a mortgage payment via this web site.

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**Fiscal Summary**

**State Effect:** The bill would not directly affect State finances or operations. If the Attorney General's Office receives fewer than 50 complaints per year stemming from the bill, the additional workload could be handled with existing resources.

**Local Effect:** The bill would not directly affect local finances or operations.

**Small Business Effect:** Potentially meaningful for small business mortgage servicers.

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**Analysis**

**Current Law/Background:** State law currently does not mandate the acceptance of online mortgage payments by mortgage servicers. Mortgage servicers are defined by law as those responsible for collection and payment of principal, interest, escrow, and other monies under an original mortgage. Mortgage servicers are currently required to send written notices to mortgagors upon acquiring a mortgage and must provide a toll-free telephone number through which any borrower residing in the State may direct telephone inquiries on outstanding loans during regular business hours.

**Small Business Effect:** The bill would force any small business mortgage servicers to expend a substantial amount of funds to create and operate web sites for accepting online payments. The bill would deny such servicers the ability to recoup these expenses through fees.

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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 20, 2008  
mll/ljm

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