

HOUSE BILL 79

I2, N1

9lr0841

By: **Delegates Stifler and Niemann**

Introduced and read first time: January 19, 2009

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Mortgage Fraud - Creation of Fraudulent Documents**

3 FOR the purpose of expanding the scope of the Maryland Mortgage Fraud Protection
4 Act to prohibit the creation or production of a document that contains a
5 deliberate misstatement, misrepresentation, or omission with the intent that
6 the document be relied on by certain persons in the mortgage lending process;
7 and generally relating to mortgage fraud.

8 BY repealing and reenacting, with amendments,
9 Article - Real Property
10 Section 7-401(d)
11 Annotated Code of Maryland
12 (2003 Replacement Volume and 2008 Supplement)

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

15 **Article - Real Property**

16 7-401.

17 (d) "Mortgage fraud" means any action by a person made with the intent to
18 defraud that involves:

19 (1) Knowingly making any deliberate misstatement,
20 misrepresentation, or omission during the mortgage lending process with the intent
21 that the misstatement, misrepresentation, or omission be relied on by a mortgage
22 lender, borrower, or any other party to the mortgage lending process;

23 (2) **KNOWINGLY CREATING OR PRODUCING A DOCUMENT FOR**
24 **USE DURING THE MORTGAGE LENDING PROCESS THAT CONTAINS A DELIBERATE**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 MISSTATEMENT, MISREPRESENTATION, OR OMISSION WITH THE INTENT THAT
2 THE DOCUMENT CONTAINING THE MISSTATEMENT, MISREPRESENTATION, OR
3 OMISSION BE RELIED ON BY A MORTGAGE LENDER, BORROWER, OR ANY OTHER
4 PARTY TO THE MORTGAGE LENDING PROCESS;

5 [(2)] (3) Knowingly using or facilitating the use of any deliberate
6 misstatement, misrepresentation, or omission during the mortgage lending process
7 with the intent that the misstatement, misrepresentation, or omission be relied on by
8 a mortgage lender, borrower, or any other party to the mortgage lending process;

9 [(3)] (4) Receiving any proceeds or any other funds in connection
10 with a mortgage closing that the person knows resulted from a violation of item (1),
11 [or] (2), OR (3) of this section;

12 [(4)] (5) Conspiring to violate any of the provisions of item (1), (2),
13 [or] (3), OR (4) of this section; or

14 [(5)] (6) Filing or causing to be filed in the land records in the county
15 where a residential real property is located, any document relating to a mortgage loan
16 that the person knows to contain a deliberate misstatement, misrepresentation, or
17 omission.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2009.