

HOUSE BILL 643

I2
HB 1107/07 – ECM

9lr2322
CF 9lr2423

By: **Delegate Feldman**

Introduced and read first time: February 9, 2009

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Credit Regulation – Mortgage Brokers – Finder’s Fee**

3 FOR the purpose of clarifying that certain limitations on a mortgage broker’s ability to
4 charge and collect a finder’s fee when obtaining more than one loan secured by
5 the same property within a certain time period applies only if the second loan is
6 obtained for a certain borrower and is for certain purposes or is a certain
7 covered loan; defining a certain term; and generally relating to mortgage
8 brokers’ finder’s fees.

9 BY repealing and reenacting, with amendments,
10 Article – Commercial Law
11 Section 12–804
12 Annotated Code of Maryland
13 (2005 Replacement Volume and 2008 Supplement)

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

16 **Article – Commercial Law**

17 12–804.

18 (A) IN THIS SECTION, “COVERED LOAN” MEANS A MORTGAGE LOAN
19 THAT MEETS THE CRITERIA FOR A LOAN SUBJECT TO THE FEDERAL HOME
20 OWNERSHIP EQUITY PROTECTION ACT SET FORTH IN 15 U.S.C. § 1602(AA), AS
21 MODIFIED FROM TIME TO TIME BY REGULATION Z, 12 C.F.R. PART 226,
22 EXCEPT THAT THE COMPARISON PERCENTAGES FOR THE MORTGAGE LOAN
23 SHALL BE ONE PERCENTAGE POINT LESS THAN THOSE SPECIFIED IN 15 U.S.C. §
24 1602(AA), AS MODIFIED FROM TIME TO TIME BY REGULATION Z, 12 C.F.R.
25 PART 226.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 [(a)] (B) A mortgage broker may charge a finder's fee not in excess of 8
2 percent of the amount of the loan or advance.

3 [(b)] (C) In addition to a finder's fee, a mortgage broker may charge a
4 borrower for the actual cost of any appraisal or credit report obtained by the mortgage
5 broker.

6 [(c)] (D) A mortgage broker obtaining a mortgage loan with respect to the
7 same property more than once within a 24-month period may charge a finder's fee
8 only on so much of the loan as is in excess of the initial loan **IF THE SECOND LOAN:**

9 (1) **IS OBTAINED FOR THE SAME BORROWER AS UNDER THE**
10 **INITIAL LOAN; AND**

11 (2) (I) **IS OBTAINED TO CURE A DEFAULT THAT HAS BEEN IN**
12 **EXISTENCE FOR MORE THAN 30 DAYS ON THE LOAN THAT IS BEING**
13 **REFINANCED; OR**

14 (II) **IS A COVERED LOAN.**

15 [(d)] (E) The provisions of this section do not apply to:

16 (1) The charging of fees and charges otherwise permitted under this
17 title; or

18 (2) Attorney's fees unless the attorney is functioning as a mortgage
19 broker.

20 [(e)] (F) A mortgage broker may not charge a finder's fee in any transaction
21 in which the mortgage broker or an owner, part owner, partner, director, officer, or
22 employee of the mortgage broker is the lender or an owner, part owner, partner,
23 director, officer, or employee of the lender.

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