

CHAPTER 126

(House Bill 79)

AN ACT concerning

Real Property – Mortgage Fraud – Creation of Fraudulent Documents

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

BY repealing and reenacting, with amendments,
Article – Real Property
Section 7–401(d)
Annotated Code of Maryland
(2003 Replacement Volume and 2008 Supplement)

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

Article – Real Property

7–401.

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

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

(2) KNOWINGLY CREATING OR PRODUCING A DOCUMENT FOR USE DURING THE MORTGAGE LENDING PROCESS THAT CONTAINS A DELIBERATE MISSTATEMENT, MISREPRESENTATION, OR OMISSION WITH THE INTENT THAT THE DOCUMENT CONTAINING THE MISSTATEMENT, MISREPRESENTATION, OR OMISSION BE RELIED ON BY A MORTGAGE LENDER, BORROWER, OR ANY OTHER PARTY TO THE MORTGAGE LENDING PROCESS;

[(2)] (3) Knowingly using or facilitating the use of any deliberate misstatement, misrepresentation, or omission during the mortgage lending process

with the intent that the misstatement, misrepresentation, or omission be relied on by a mortgage lender, borrower, or any other party to the mortgage lending process;

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

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

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

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

Approved by the Governor, April 14, 2009.