

SENATE BILL 943

I2

0lr2802
CF HB 1254

By: **Senators Pugh and Garagiola**

Introduced and read first time: February 18, 2010

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Credit Regulation – Mortgage Brokers – Charges**

3 FOR the purpose of authorizing mortgage brokers to charge borrowers for the actual
4 cost of certain services or goods required to complete a loan application process;
5 and generally relating to fees that may be charged by mortgage brokers.

6 BY repealing and reenacting, with amendments,
7 Article – Commercial Law
8 Section 12–804
9 Annotated Code of Maryland
10 (2005 Replacement Volume and 2009 Supplement)

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

13 **Article – Commercial Law**

14 12–804.

15 (a) A mortgage broker may charge a finder’s fee not in excess of 8 percent of
16 the amount of the loan or advance.

17 (b) In addition to a finder’s fee, a mortgage broker may charge a borrower for
18 the actual cost of [any]:

19 (1) **ANY** appraisal or credit report obtained by the mortgage broker;
20 **AND**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 **(2) ANY OTHER SERVICE OR GOOD REQUIRED TO COMPLETE A**
2 **LOAN APPLICATION PROCESS THAT IS PAID OR PAYABLE BY THE MORTGAGE**
3 **BROKER TO A THIRD-PARTY PROVIDER OF THE SERVICE OR GOOD.**

4 (c) A mortgage broker obtaining a mortgage loan with respect to the same
5 property more than once within a 24-month period may charge a finder's fee only on
6 so much of the loan as is in excess of the initial loan.

7 (d) The provisions of this section do not apply to:

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

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

12 (e) A mortgage broker may not charge a finder's fee in any transaction in
13 which the mortgage broker or an owner, part owner, partner, director, officer, or
14 employee of the mortgage broker is the lender or an owner, part owner, partner,
15 director, officer, or employee of the lender.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2010.