

HOUSE BILL 102

I1
HB 1407/10 – ECM

11r1410

By: **Delegates Stifler and Conaway**
Introduced and read first time: January 24, 2011
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: February 25, 2011

CHAPTER _____

1 AN ACT concerning

2 **Financial Institutions – Mortgage Loan Originators – Prohibited Acts**

3 FOR the purpose of prohibiting a person subject to regulation as a mortgage loan
4 originator from making a payment, threat, or promise to another person for a
5 certain purpose in connection with a ~~residential~~ certain mortgage loan or loan
6 application; prohibiting a person subject to regulation as a mortgage loan
7 originator from making a payment, threat, or promise to an appraiser of ~~a~~
8 ~~property~~ residential real estate for a certain purpose with respect to the value of
9 the ~~property~~ residential real estate, and from engaging in certain acts or
10 practices in connection with a certain mortgage loan or loan application;
11 providing that certain provisions of this Act do not prohibit a person subject to
12 regulation as a mortgage loan originator from requesting another person to
13 consider certain information, provide certain details, substantiation, or
14 explanation of a certain conclusion, or correct certain errors, or from
15 withholding payment for an appraisal under certain circumstances; providing
16 that a certain penalty applies to a willful violation of the prohibited acts; and
17 generally relating to the regulation of mortgage loan originators.

18 BY repealing and reenacting, without amendments,
19 Article – Financial Institutions
20 Section 11–617
21 Annotated Code of Maryland
22 (2003 Replacement Volume and 2010 Supplement)

23 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Financial Institutions
2 Section 11–624
3 Annotated Code of Maryland
4 (2003 Replacement Volume and 2010 Supplement)

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

7 **Article – Financial Institutions**

8 11–617.

9 Any person who willfully violates the provisions of this subtitle is guilty of a
10 felony and, on conviction, is subject to a fine not exceeding \$25,000 or imprisonment
11 not exceeding 5 years or both.

12 **11–624.**

13 **(A) A PERSON SUBJECT TO THIS SUBTITLE MAY NOT, IN CONNECTION**
14 **WITH A MORTGAGE LOAN OR LOAN APPLICATION:**

15 **(1) MAKE A PAYMENT, THREAT, OR PROMISE, DIRECTLY OR**
16 **INDIRECTLY, TO ANOTHER PERSON FOR THE PURPOSE OF INFLUENCING THE**
17 **PERSON TO VIOLATE ANY FEDERAL OR STATE LAW, OR ANY STANDARD OF**
18 **PROFESSIONAL PRACTICE RECOGNIZED BY THE FEDERAL OR STATE**
19 **GOVERNMENT, ~~IN CONNECTION WITH A RESIDENTIAL MORTGAGE LOAN;~~ OR**

20 **(2) MAKE A PAYMENT, THREAT, OR PROMISE, DIRECTLY OR**
21 **INDIRECTLY, TO AN APPRAISER OF ~~A PROPERTY~~ RESIDENTIAL REAL ESTATE**
22 **FOR THE PURPOSE OF INFLUENCING THE INDEPENDENT JUDGMENT OF THE**
23 **APPRAISER WITH RESPECT TO THE VALUE OF THE ~~PROPERTY~~ RESIDENTIAL**
24 **REAL ESTATE, OR ENGAGE IN ANY OTHER ACT OR PRACTICE THAT IMPAIRS OR**
25 **ATTEMPTS TO IMPAIR AN APPRAISER’S INDEPENDENCE, OBJECTIVITY, OR**
26 **IMPARTIALITY, INCLUDING:**

27 **(I) WITHHOLDING OR THREATENING TO WITHHOLD**
28 **PAYMENT FOR AN APPRAISAL WITH THE INTENT TO COERCE THE APPRAISER TO**
29 **AGREE TO A VALUE, RANGE OF VALUES, OR MINIMUM VALUE FOR THE**
30 **~~PROPERTY~~ RESIDENTIAL REAL ESTATE;**

31 **(II) CONDITIONING THE PAYMENT OF AN APPRAISAL FEE**
32 **ON THE OPINION, CONCLUSION, OR VALUATION TO BE REACHED BY THE**
33 **APPRAISER; OR**

1 (III) REQUESTING THE APPRAISER TO REPORT A
2 PREDETERMINED OPINION, CONCLUSION, OR VALUATION.

3 (B) THIS SECTION DOES NOT PROHIBIT A PERSON SUBJECT TO THIS
4 SUBTITLE FROM:

5 (1) REQUESTING ANOTHER PERSON TO:

6 (I) CONSIDER ADDITIONAL APPROPRIATE INFORMATION;

7 (II) PROVIDE ADDITIONAL DETAILS, SUBSTANTIATION, OR
8 EXPLANATION OF A CONCLUSION MADE BY THE OTHER PERSON; OR

9 (III) CORRECT ERRORS IN AN APPRAISAL REPORT OR OTHER
10 MORTGAGE DOCUMENT; OR

11 (2) WITHHOLDING PAYMENT FOR AN APPRAISAL PENDING
12 RESOLUTION OF AN ACTION BEFORE A FEDERAL OR STATE COURT OR
13 LICENSING BOARD RELATING TO THE APPRAISAL.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.