

SENATE BILL 566

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SB 203/17 – FIN

8lr3022

By: ~~Senator Serafini~~ Senators Serafini, Middleton, Hershey, Jennings, Klausmeier, and Mathias

Introduced and read first time: January 31, 2018

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 2018

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of ~~repealing~~ altering a certain provision of law limiting the amount of a
4 finder’s fee that may be charged by a mortgage broker obtaining a mortgage loan
5 with respect to certain property more than once within a certain time period; and
6 generally relating to finder’s fees charged by mortgage brokers.

7 BY repealing and reenacting, with amendments,
8 Article – Commercial Law
9 Section 12–804
10 Annotated Code of Maryland
11 (2013 Replacement Volume and 2017 Supplement)

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

14 **Article – Commercial Law**

15 12–804.

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

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 (b) In addition to a finder's fee, a mortgage broker may charge a borrower for the
2 actual cost of:

3 (1) Any appraisal, credit report, condominium document, or subordination
4 agreement document obtained by the mortgage broker at the written request of the
5 borrower; and

6 (2) Any other good or service, as specified in regulations adopted by the
7 Commissioner, that is required to complete a loan application process and that, at the
8 written request of the borrower, is paid by the mortgage broker to a third-party provider
9 of the good or service.

10 ~~f(c)~~ A mortgage broker obtaining a mortgage loan with respect to the same
11 property more than once within a 24-month period may charge a finder's fee ~~only on so~~
12 ~~much of the loan as is in excess of the initial loan~~ **IF THE FEE IS NOT IN EXCESS OF 8%**
13 **OF THE INITIAL LOAN AMOUNT WHEN COMBINED WITH THE FINDER'S FEE CHARGED**
14 **ON THE INITIAL LOAN AND ON ANY OTHER FINDER'S FEE COLLECTED DURING THAT**
15 **24-MONTH PERIOD.**

16 (d) ~~(c)~~ The provisions of this section do not apply to:

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

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

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

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.