

**SB1026/303527/1**

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL 1026  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 8, after “circumstances” insert “or a certain trust that acquires or is assigned a certain mortgage loan under certain circumstances”; in line 19, after “11-102” insert “and 11-501(p) and (u)”; and after line 21, insert:

“BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 11-302(b), 11-501(p) through (s), and 11-502(b)

Annotated Code of Maryland

(2020 Replacement Volume and 2024 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 29, insert:

“11-302.

(b) The licensing provisions of this subtitle do not apply to any of the following persons, if organized under the laws of this State or otherwise qualified to do business in this State:

- (1) A banking institution;
- (2) A national banking association;
- (3) A federal or State savings and loan association;
- (4) A federal or State credit union;

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(5) A licensee under Subtitle 2 of this title;

(6) A seller of goods or services or both not engaged in:

(i) Making loans; or

(ii) Acting as a credit services business as defined under Title 14, Subtitle 19 of the Commercial Law Article;

(7) A licensee under Subtitle 5 of this title engaged solely in a mortgage lending business as defined in that subtitle; or

(8) An entity exempt from licensing as a mortgage lender under [§ 11–502(b)(10)] § 11–502(B)(3), (10), OR (13) of this title.”.

On page 3, after line 28, insert:

**“(P) “PASSIVE TRUST” MEANS A TRUST THAT:**

**(1) ACQUIRES OR IS ASSIGNED MORTGAGE LOANS IN WHOLE OR IN PART;**

**(2) DOES NOT MAKE MORTGAGE LOANS;**

**(3) IS NOT A MORTGAGE BROKER OR A MORTGAGE SERVICER; AND**

**(4) IS NOT ENGAGED IN THE SERVICING OF MORTGAGE LOANS, WHICH DOES NOT INCLUDE THE ACT OF TRANSMITTING OR DIRECTING PAYMENTS RECEIVED BY A MORTGAGE SERVICER.**

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**[(p)] (Q)** “Person” means a natural person, corporation, limited liability company, partnership, business trust, statutory trust, or association.

**[(q)] (R)** “Residential real estate” means any owner-occupied real property located in Maryland on which a dwelling is constructed or intended to be constructed.

**[(r)] (S)** “Shared appreciation agreement” means a writing evidencing a transaction or any option, future, or any other derivative between a person and a consumer where the consumer receives money or any other item of value in exchange for an interest or future interest in a dwelling or residential real estate, or a future obligation to repay a sum on the occurrence of an event such as:

- (1) The transfer of ownership;
- (2) A repayment maturity date;
- (3) The death of the consumer; or
- (4) Any other event contemplated by the writing.

**[(s)] (T)** “State” means the State of Maryland.

**(U) “TRUST” INCLUDES ANY TRUST ESTABLISHED UNDER THE LAWS OF THE STATE OR ANY OTHER STATE.**

11-502.

**(b) The provisions of this subtitle do not apply to:**

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(1) Any bank, trust company, savings bank, savings and loan association, or credit union incorporated or chartered under the laws of this State or the United States or any other–state bank having a branch in this State;

(2) Any insurance company authorized to do business in the State;

(3) Any corporate instrumentality of the Government of the United States including:

(i) The Federal Home Loan Mortgage Corporation;

(ii) The Federal National Mortgage Association; [and]

(iii) The Government National Mortgage Association; AND

**(IV) A TRUST ESTABLISHED BY ANY CORPORATE INSTRUMENTALITY OF THE GOVERNMENT OF THE UNITED STATES FOR THE PURPOSE OF ACQUIRING MORTGAGE LOANS;**

(4) Any person who takes back a deferred purchase money mortgage in connection with the sale of:

(i) A dwelling or residential real estate owned by, and titled in the name of, that person; or

(ii) A new residential dwelling that the person built;

(5) A nonprofit charitable organization registered with the Maryland Secretary of State or a nonprofit religious organization;

(6) An employer making a mortgage loan to an employee;

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(7) A person making a mortgage loan to a borrower who is the person's spouse, child, child's spouse, parent, sibling, grandparent, grandchild, or grandchild's spouse;

(8) A real estate broker who:

(i) Is licensed in the State; and

(ii) Makes a mortgage loan providing a repayment schedule of 2 years or less to assist the borrower in the purchase or sale of a dwelling or residential real estate through the broker;

(9) A home improvement contractor licensed under the Maryland Home Improvement Law who assigns a mortgage loan without recourse within 30 days after completion of the contract to a person licensed under this subtitle or to an institution that is exempt from this subtitle under item (1), (2), or (10) of this subsection;

(10) A subsidiary or affiliate of an institution described in subsection (c) of this section, which subsidiary or affiliate:

(i) Is subject to audit or examination by a regulatory body or agency of this State or the state where the subsidiary or affiliate maintains its principal office; and

(ii) Files with the Commissioner, prior to making mortgage loans, information sufficient to identify:

1. The correct corporate name of the subsidiary or affiliate;

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2. An address and telephone number of a contact person for the subsidiary or affiliate;

3. A resident agent; and

4. Any additional information considered necessary by the Commissioner for protection of the public;

(11) Any employee benefit plan qualified under Internal Revenue Code § 401 or persons acting as fiduciaries with respect to such a plan, making mortgage loans solely to plan participants from plan assets; [or]

(12) Employees acting within the scope of their employment with:

(i) A licensed mortgage lender; or

(ii) A person who is exempt from licensure under this subtitle; OR

**(13) A PASSIVE TRUST.**

On page 4, in line 7, strike “one representative” and substitute “three representatives”.