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§11–501.

(a) In this subtitle the following words have the meanings indicated.

(b) "Borrower" means a person who makes a loan application for or receives a loan or other extension of credit that is or is intended to be secured in whole or in part by any interest in a dwelling or residential real estate located in Maryland.

(b–1) (1) "Conventional home mortgage loan" means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or residential real estate on which a dwelling is constructed or intended to be constructed.

(2) "Conventional home mortgage loan" includes a loan in which funds are advanced through a shared appreciation agreement.

(3) "Conventional home mortgage loan" does not include a loan that is insured or guaranteed by the federal government.

(c) (1) "Dwelling" means a residential structure or mobile home that contains one to four family housing units or individual units of condominiums or cooperatives.

(2) "Dwelling" does not include a residential structure or mobile home unless the residential structure or mobile home, or at least one unit contained in the residential structure or mobile home, is owner–occupied.

(d) (1) "Independent evidence of commercial purpose" means, where a mortgage loan is made for a commercial purpose to an individual, any and all documentation by which the mortgage lender, prior to the making or procurement of the loan, establishes that the borrower is seeking funds for a legitimate commercial enterprise.

(2) "Independent evidence of commercial purpose" does not include an affidavit of the borrower without supporting evidence, except where:

(i) The borrower is seeking funds to start a business and has not yet incorporated or prepared documentation or proof of ownership of a commercial enterprise; and

(ii) The affidavit states the purpose for which the proceeds of the mortgage loan are to be used and the nature of the business conducted or to be conducted by the borrower.

(e) "Interest in real estate" includes:

(1) A confessed judgment note or consent judgment required or obtained by any person acting as a mortgage lender for the purpose of acquiring a lien on a dwelling or residential real estate;

(2) A sale and leaseback required or obtained by any person acting as a mortgage lender for the purpose of creating a lien on a dwelling or residential real estate;

(3) A mortgage, deed of trust or lien other than a judgment lien, on a dwelling or residential real estate; and

(4) Any other security interest that has the effect of creating a lien on a dwelling or residential real estate in Maryland.

(f) "License" means a license issued in any form by the Commissioner under this subtitle to engage in business as a mortgage lender, including as provided for through NMLS.

(f–1) "Licensed location" means any location listed by the licensee in NMLS in accordance with this subtitle.

(f–2) "Licensed name" means:

(1) The licensee's legal name; and

(2) Any trade name used by the licensee in accordance with § 2–121 of this article.

(g) "Licensee" means a person licensed under this subtitle to engage in business as a mortgage lender.

(h) (1) "Loan application" means any oral or written request for an extension of credit that is made in accordance with procedures established by a mortgage lender for the purpose of inducing the lender to seek to procure or make a mortgage loan.

(2) "Loan application" does not include the use of an account or line of credit to obtain a loan within a previously established credit limit.

(i) "Mobile home" means a structure, including the plumbing, heating, air conditioning, and electrical systems contained in the structure, that is:

(1) Transportable in one or more sections;

(2) Eight or more body feet in width and 30 or more body feet in length;

(3) Built on a permanent chassis; and

(4) Permanently attached to land or connected to utility, water, or sewage facilities.

(j) "Mortgage broker" means a person who:

(1) For a fee or other valuable consideration, whether received directly or indirectly, aids or assists a borrower in obtaining a mortgage loan; and

(2) Is not named as a lender in the agreement, note, deed of trust, or other evidence of the indebtedness.

(k) (1) "Mortgage lender" means any person who:

(i) Is a mortgage broker;

(ii) Makes a mortgage loan to any person; or

(iii) Is a mortgage servicer.

(2) "Mortgage lender" does not include:

(i) A financial institution that accepts deposits and is regulated under Title 3, Title 4, Title 5, or Title 6 of this article;

(ii) The Federal Home Loan Mortgage Corporation;

(iii) The Federal National Mortgage Association;

(iv) The Government National Mortgage Association;

(v) Any person engaged exclusively in the acquisition of all or any portion of a mortgage loan under any federal, State, or local governmental program of mortgage loan purchases; or

(vi) An affiliated insurance producer–mortgage loan originator licensed under § 11–603.1 of this title.

(l) (1) “Mortgage lending business” means the activities set forth in the definition of “mortgage lender” in subsection (k) of this section which require that person to be licensed under this subtitle.

(2) “Mortgage lending business” includes the making or procuring of mortgage loans secured by a dwelling or residential real estate located outside Maryland.

(m) (1) “Mortgage loan” means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or residential real estate on which a dwelling is constructed or intended to be constructed.

(2) “Mortgage loan” includes a loan in which funds are advanced through a shared appreciation agreement.

(n) “Mortgage loan originator” has the meaning stated in § 11–601 of this title.

(o) “Mortgage servicer” means a person who:

(1) Engages in whole or in part in the business of servicing mortgage loans for others; or

(2) Collects or otherwise receives payments on mortgage loans directly from borrowers for distribution to any other person.

(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.

(q) “Person” means a natural person, corporation, limited liability company, partnership, business trust, statutory trust, or association.

(r) "Residential real estate" means any owner–occupied real property located in Maryland on which a dwelling is constructed or intended to be constructed.

(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.

(t) "State" means the State of Maryland.

(u) "Trust" includes any trust established under the laws of the State or any other state.

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