



SB 1026 – Financial Institutions - Consumer Credit - Application of Licensing Requirements (Maryland Secondary Market Stability Act of 2025)

Position: Support

Maryland REALTORS® supports SB 1026, to clarify state licensing requirements for entities involved in the mortgage lending process.

On January 10, the Office of Financial Regulation (OFR) announced emergency regulations 52:1 Md. R. 17. The purpose of this action is to require specific entities to obtain licensure as a mortgage lender to conform to the recent decision in *Estate of Brown v. Carrie M. Ward, et al*, 261 Md.App. 385, (2024).

Following this action, Maryland REALTORS® learned that several of the largest mortgage exchange companies had stopped accepting loans in Maryland, while others raised interest rates to account for the uncertainty that this regulation has created. These mortgage aggregators securitize mortgage loans for lenders such as Bank of America, Citibank, and Goldman Sachs, among others.

As we enter the busiest time of the year for real estate transactions, there are real and significant doubts that mortgage financing will be available in the state, and that what mortgage products are offered will carry much higher costs. This would be catastrophic to buyers and sellers in Maryland and would have a detrimental impact on our state's economy if revenues from those transactions are not realized.

This bill would clarify state licensing requirements and return much needed liquidity to the state's mortgage markets. Maryland REALTORS® offers our support for SB 1026.

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