



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**Sponsor Testimony - Request for Favorable Recommendation**  
**HB 38 – Financial Institutions - Licensing of Affiliated Insurance Producer-Mortgage Loan**  
**Originators – Alteration**

Greetings Chair Beidle, Vice-Chair Hayes, and members of the Finance Committee:

HB 38 would update existing law to allow an insurance agent to be co-regulated as a Mortgage Loan Originator (MLO), under all the usual conditions, but the insurance company could contract with a bank of their choosing, as regulated and approved by the Commissioner of Financial Regulation.

Under current law (in place since 2004) an insurance agent who wishes to be co-regulated as an MLO can do so, but only if the insurance company owns the bank they are originating for.

Both the insurance companies who co-owned their banks, for whom the original statute was sought, have long since sold off their banks.

This statutory requirement is outdated and limits consumer access, particularly in historically marginalized communities.

This bill will increase consumer access and choice. It will benefit the existing mortgage lenders in the state, and it will increase the oversight of the Commissioner of Financial Regulation.

HB 38 will align Maryland with practices in more than 39 other states that either have affirmative language or do not explicitly prohibit or limit insurance agents to be co-licensed as MLOs.

This bill provides much needed updates to our laws to match the current market conditions and will benefit both consumers and the marketplace alike.

This bill passed out of the Economic Matters Committee (17-0) and the House of Delegates (136-0) by unanimous support.

I ask for a favorable report. Thank you.

Cordially,

A handwritten signature in cursive script, appearing to read 'Pamela E. Queen'.