

SENATE BILL 203

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7lr1874

By: **Senator Serafini**

Introduced and read first time: January 19, 2017

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of repealing a certain provision of law limiting the amount of a finder’s
4 fee that may be charged by a mortgage broker obtaining a mortgage loan with respect
5 to certain property more than once within a certain time period; and generally
6 relating to finders’ 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 2016 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.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

5 [(c) A mortgage broker obtaining a mortgage loan with respect to the same
6 property more than once within a 24-month period may charge a finder's fee only on so
7 much of the loan as is in excess of the initial loan.

8 (d)] (C) The provisions of this section do not apply to:

9 (1) The charging of fees and charges otherwise permitted under this title;

10 or

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

12 [(e)] (D) A mortgage broker may not charge a finder's fee in any transaction in
13 which the mortgage broker or an owner, part owner, partner, director, officer, or employee
14 of the mortgage broker is the lender or an owner, part owner, partner, director, officer, or
15 employee of the lender.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2017.