

SENATE BILL 33

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7lr0098

(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Requested: October 3, 2016

Introduced and read first time: January 11, 2017

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Mortgage Lenders – Examinations and Records**

3 FOR the purpose of extending the interval within which the Commissioner of Financial
4 Regulation must conduct examinations of certain mortgage lender licensees; altering
5 the minimum time period for which a mortgage lender licensee must retain certain
6 records; and generally relating to the regulation of mortgage lenders.

7 BY repealing and reenacting, with amendments,
8 Article – Financial Institutions
9 Section 11–513 and 11–515(a)
10 Annotated Code of Maryland
11 (2011 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 – Financial Institutions**

15 11–513.

16 (a) Each licensee shall keep and make available to the Commissioner at the
17 licensee's place of business any books and records that the Commissioner, by rule or
18 regulation, requires to enable the Commissioner to enforce:

19 (1) This subtitle;

20 (2) Any rule or regulation adopted under this subtitle; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) Any other provision regulating the application, making, brokering, or
2 servicing of mortgage loans under Titles 12 through 14 of the Commercial Law Article.

3 (b) Subject to approval by the Commissioner, nothing in this section is to be
4 construed to prohibit a licensee from maintaining duplicate records or electronic
5 equivalents at the licensee's place of business.

6 (c) Notwithstanding subsection (a) of this section, on approval of the
7 Commissioner, a licensee need not keep at the licensee's place of business any books and
8 records otherwise required by the Commissioner under subsection (a) of this section if the
9 licensee:

10 (1) Makes the books and records available to the Commissioner at the
11 licensee's place of business within 5 business days of the Commissioner's official request;
12 and

13 (2) Retains the records for at least [25] 61 months in a storage facility
14 disclosed to the Commissioner.

15 11-515.

16 (a) (1) The Commissioner shall examine the business of each licensee:

17 (i) In accordance with a schedule established by the Commissioner;
18 and

19 (ii) At any other time that the Commissioner reasonably considers
20 necessary.

21 (2) The schedule established by the Commissioner under paragraph (1)(i)
22 of this subsection shall:

23 (i) Take into account:

24 1. The length of time the licensee has been engaged in
25 business as a mortgage lender;

26 2. Any prior violations by the licensee of the mortgage
27 lending law or regulations;

28 3. The nature and number of any complaints made against
29 the licensee; and

30 4. The result of findings from any prior examination of the
31 licensee; and

32 (ii) Provide that:

1 1. New licensees shall be examined within 18 months of the
2 date the license is issued; and

3 2. Each licensee shall be examined at least once during any
4 ~~[36-month]~~ **60-MONTH** period.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2017.