

Chapter 845

(Senate Bill 566)

AN ACT concerning

Credit Regulation – Mortgage Brokers – Finder’s Fee

FOR the purpose of ~~repealing~~ altering a certain provision of law limiting the amount of a finder’s fee that may be charged by a mortgage broker obtaining a mortgage loan with respect to certain property more than once within a certain time period; and generally relating to finder’s fees charged by mortgage brokers.

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 12–804
Annotated Code of Maryland
(2013 Replacement Volume and 2017 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Commercial Law

12–804.

(a) A mortgage broker may charge a finder’s fee not in excess of 8 percent of the amount of the loan or advance.

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

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

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

~~¶(c) A mortgage broker obtaining a mortgage loan with respect to the same property more than once within a 24–month period may charge a finder’s fee only on so much of the loan as is in excess of the initial loan~~ **IF THE FEE IS NOT IN EXCESS OF 8% OF THE INITIAL LOAN AMOUNT WHEN COMBINED WITH THE FINDER’S FEE CHARGED**

ON THE INITIAL LOAN AND ON ANY OTHER FINDER’S FEE COLLECTED DURING THAT 24-MONTH PERIOD.

~~(d)~~ ~~(c)~~ The provisions of this section do not apply to:

- (1) The charging of fees and charges otherwise permitted under this title;
- or
- (2) Attorney’s fees unless the attorney is functioning as a mortgage broker.

~~(e)~~ ~~(d)~~ A mortgage broker may not charge a finder’s fee in any transaction in which the mortgage broker or an owner, part owner, partner, director, officer, or employee of the mortgage broker is the lender or an owner, part owner, partner, director, officer, or employee of the lender.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.