

SENATE BILL 633

I2, I3

9lr2465

By: **Senator Eckardt**

Introduced and read first time: February 4, 2019

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Commissioner of Financial Regulation – Mortgage Lenders, Originators, and**
3 **Servicers – Workgroup and Regulations**

4 FOR the purpose of requiring the Commissioner of Financial Regulation to convene a
5 stakeholder workgroup to develop recommendations on certain matters relating to
6 mortgages; requiring the Commissioner, in consultation with the stakeholder
7 workgroup, to adopt certain regulations; requiring the Commissioner to report to the
8 Governor and the General Assembly regarding certain complaints and
9 improvements to the system for filing complaints on or before certain dates; and
10 generally relating to complaints against mortgage lenders, originators, and servicers
11 in the State.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That:

14 (a) The Commissioner of Financial Regulation shall convene a stakeholder
15 workgroup to develop recommendations for:

16 (1) improving the procedures for a consumer to file a complaint against a
17 mortgage lender, originator, or servicer in the State;

18 (2) establishing a regular schedule for the Commissioner of Financial
19 Regulation, or the Commissioner's designee, to meet with consumers and representatives
20 of the independent housing counselors industry; and

21 (3) providing training to State and local elected officials and other
22 community leaders about how to identify violations and make a complaint against a
23 mortgage lender, originator, or servicer in the State.

24 (b) On or before December 31, 2019, the Commissioner of Financial Regulation,
25 in consultation with the workgroup established under subsection (a) of this section, shall

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 adopt regulations that:

2 (1) require a mortgage loan originator, before originating a loan, to make a
3 reasonable, good faith determination of a consumer's ability to repay the loan, and to refer
4 a consumer to an independent housing counselor for assistance; and

5 (2) require a mortgage servicer to:

6 (i) adhere to the same duty of care established for a mortgage loan
7 originator; and

8 (ii) if the mortgage servicer issues a loss mitigation denial letter to a
9 consumer, provide in the letter a detailed explanation of the reason for the denial, the
10 justification for the denial, and a clear explanation of the process for the consumer to appeal
11 the denial.

12 (c) On or before December 31, 2019, and every 2 years thereafter, the
13 Commissioner of Financial Regulation shall report to the Governor and, in accordance with
14 § 2-1246 of the State Government Article, the General Assembly on:

15 (1) the number of complaints filed against a mortgage lender, originator,
16 or servicer in the State since the last report was issued, and the resolution of those
17 complaints; and

18 (2) any improvements to the system for filing complaints made since the
19 last report was issued.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
21 1, 2019.