

CHAPTER 390  
(Senate Bill 566)

AN ACT to add new Sections 39 to ~~71~~, 70, inclusive, to Article 66 of the Annotated Code of Maryland (1964 Replacement Volume), title "Mortgages," to follow immediately after Section 38 thereof, and to be under the new subtitle "Secondary Mortgage Loan Law"; to generally provide for the licensing of persons in the business of negotiating secondary mortgage loans, and to generally provide for the regulations of such persons and such loans, to give the Banking Commissioner certain duties and powers in the regulation of such persons and such loans, to provide penalties for violations and to generally relate to secondary mortgage transactions and the regulation of persons in this business.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Sections 39 to ~~71~~, 70, inclusive, be and they are hereby added to Article 66 of the Annotated Code of Maryland (1964 Replacement Volume), title "Mortgages," to follow immediately after Section 38 thereof, and to be under the new subtitle "Secondary Mortgage Loan Law," and all to read as follows:

*Secondary Mortgage Loan Law*

39.

*This subtitle constitutes and may be cited as "The Maryland Secondary Mortgage Loan Law."*

40.

*In this subtitle, unless the context otherwise requires, the following words shall have the following meanings:*

(a) "Secondary mortgage loan" means a loan secured in whole or in part by mortgage, deed of trust, security agreement or other lien on real estate situate in this State which property is subject to the lien of one or more prior encumbrances, having thereon a dwelling designed principally as a residence with accommodations for not more than four families and occupied in whole or in part at the time the loan is made, or to be so occupied within a reasonable time after the loan is made, as a home by an obligor on the debt evidenced by the mortgage, deed of trust, security agreement or other lien. For the purpose of this paragraph, any person who ordinarily requires the signing of a confessed judgment note or consent judgment for the purposes of acquiring a lien on any real estate described herein shall be deemed to have made a loan secured by a lien on real estate situate in this State. TO THE LIEN OF ONE OR MORE PRIOR ENCUMBRANCES, OTHER THAN A GROUND RENT OR OTHER LEASEHOLD INTEREST, HAVING THEREON A DWELLING DESIGNED PRINCIPALLY AS A RESIDENCE WITH ACCOMMODATIONS FOR NOT MORE THAN FOUR FAMILIES. FOR THE PURPOSE OF THIS SUBTITLE, ANY PERSON WHO ORDINARILY REQUIRES THE SIGNING OF A CONFESSED JUDGMENT NOTE OR CONSENT JUDGMENT FOR THE PURPOSES OF ACQUIRING A LIEN ON ANY REAL ESTATE DESCRIBED HEREIN OR WHO REQUIRES A SALE AND LEASEBACK OF SUCH PROPERTY FOR