

CHAPTER 351

(House Bill 725)

AN ACT concerning

Loans - Finder's Fees

FOR the purpose of creating a subtitle regulating the charging of finder's fees by loan mortgage brokers; defining terms; providing certain exceptions; prohibiting mortgage brokers from holding certain positions with certain lenders; permitting mortgage brokers to charge, subject to certain conditions, a finder's fee and a loan application fee; specifying the maximum fees chargeable; prohibiting certain forms of payment of such fees; providing that payment of a finder's fee in a certain case shall not be considered as interest to the lender; requiring lenders to comply with certain disclosure laws and to inform loan borrowers of their right to rescission; providing borrowers with a right to refund of the finder's fee in certain cases; providing certain penalties for any violations; and generally relating to the charging of finder's fees by loan mortgage brokers; and providing certain restrictions on a licensed real estate broker, insurer, salesman, attorney-at-law, or agent thereof.

BY adding to

Article - Commercial Law

Section 12-801 through ~~12-807~~ 12-809 to be under the new subtitle "Subtitle 8. Loans - Finder's Fees"

Annotated Code of Maryland  
(1975 Volume and 1978 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Commercial Law

SUBTITLE 8. LOANS - FINDER'S FEES

12-801.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "BORROWER" MEANS AN INDIVIDUAL WHO OBTAINS A LOAN OR ADVANCE OF MONEY.

(C) ~~"BROKER" MEANS A PERSON WHO PROCURES -- A -- LOAN -- OR ADVANCE -- OF -- MONEY -- OR -- WHO -- ARRANGES -- OR -- OTHERWISE -- ASSISTS -- A -- BORROWER -- IN -- OBTAINING -- A -- LOAN -- OR -- ADVANCE -- OF -- MONEY.~~