

12-805.

(A) A MORTGAGE BROKER MAY NOT RECEIVE A FINDER'S FEE OR LOAN APPLICATION FEE IN THE FORM OF A NOTE, MORTGAGE, OR OTHER EVIDENCE OF INDEBTEDNESS.

(B) PAYMENT OF THE FINDER'S FEE TO THE MORTGAGE BROKER OUT OF THE PROCEEDS OF THE LOAN IS NOT CONSIDERED AS INTEREST TO THE LENDER IF THE FINDER'S FEE IS NOT IN EXCESS OF THAT PERMITTED BY THIS SUBTITLE.

(C) IF THE FINDER'S FEE IS PAID FROM THE PROCEEDS OF THE LOAN, THE LENDER SHALL COMPLY WITH THE DISCLOSURE PROVISIONS OF § 12-106 OF THIS ARTICLE OR THE FEDERAL TRUTH-IN-LENDING ACT AND IN ADDITION SHALL ADVISE THE BORROWER, IN WRITING, OF HIS RIGHT TO A REFUND OF THE FINDER'S FEE UPON THE EXERCISE OF ANY RIGHT OF RESCISSION OF THE LOAN.

(D) A FINDER'S FEE MAY NOT BE CHARGED UNLESS IT IS PURSUANT TO A SEPARATE WRITTEN AGREEMENT BETWEEN THE BROKER AND BORROWER WHICH IS DISTINCT FROM THE LOAN AGREEMENT. THE TERMS OF THE PROPOSED AGREEMENT SHALL BE DISCLOSED TO THE BORROWER BEFORE THE BROKER UNDERTAKES TO ASSIST THE BORROWER IN OBTAINING A LOAN OR ADVANCE OF MONEY AND SHALL SPECIFY THE AMOUNT OF THE FINDER'S FEE.

12-806.

A BORROWER IS ENTITLED TO A REFUND OF ANY FINDER'S FEE PAID TO A MORTGAGE BROKER IF:

(1) THE LOAN TRANSACTION IS NOT MADE TO THE BORROWER; OR

(2) THE BORROWER EXERCISES HIS RIGHT TO RESCIND THE LOAN TRANSACTION UNDER THE FEDERAL TRUTH-IN-LENDING ACT OR ANY SIMILAR FEDERAL OR STATE LAW.

12-807.

~~{A} ANY PERSON WHO KNOWINGLY VIOLATES ANY PROVISION OF THIS SUBTITLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500 OR IMPRISONMENT NOT EXCEEDING 6 MONTHS OR BOTH.~~

{B} ANY MORTGAGE BROKER WHO VIOLATES ANY PROVISION OF THIS SUBTITLE SHALL FORFEIT TO THE BORROWER THE GREATER OF:

(1) THREE TIMES THE AMOUNT OF THE FINDER'S FEE COLLECTED ~~IN EXCESS OF THAT AUTHORIZED BY THIS SUBTITLE~~; OR

(2) THE SUM OF \$500.

12-808.

A LICENSED REAL ESTATE BROKER, INSURER, SALESMAN, ATTORNEY-AT-LAW, OR AGENT THEREOF WHO ARRANGES OR PROCURES A