

BY repealing and reenacting, with amendments,

Article - Financial Institutions  
Section 12-302 and 12-320  
Annotated Code of Maryland  
(1980 Volume and 1985 Supplement)

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

Article - Financial Institutions

12-302.

(A) The licensing provisions of this subtitle do not apply:

(1) To any bank, trust company, savings bank, savings and loan association, insurance company, State or federally chartered credit union, or other financial institution whose power to engage in mortgage loan transactions is regulated by any other law of this State or of the United States;

(2) To a person who takes back a deferred purchase money secondary mortgage in connection with the sale of real property owned by, and titled in the name of, that person;

(3) To a person who takes back a deferred purchase money secondary mortgage in connection with the sale of a new residential dwelling that the person built;

(4) To any nonprofit religious or charitable organization;

(5) To an employer making a secondary mortgage loan to an employee; [or]

(6) To a lender making a secondary mortgage loan to a borrower with whom the lender is related by blood or marriage; OR

(7) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION. TO AN--INDIVIDUAL--MAKING--5 A PERSON WHO DIRECTLY OR INDIRECTLY THROUGH ANY OTHER PERSON MAKES 3 OR FEWER SECONDARY MORTGAGE LOANS UNDER THE PROVISIONS OF TITLE 12, SUBTITLE 4 OF THE COMMERCIAL LAW ARTICLE DURING ANY CALENDAR YEAR; OR

(8) TO A REAL ESTATE BROKER WHO IS LICENSED IN THIS STATE AND MAKES A SECONDARY MORTGAGE LOAN TO ASSIST A PERSON IN THE PURCHASE OR SALE OF A RESIDENTIAL PROPERTY THROUGH THE BROKER.

(B) THE EXEMPTION PROVIDED IN SUBSECTION (A)(7) OF THIS SECTION DOES NOT APPLY TO ANY PERSON WHO, FOR ACTS OF FRAUD OR MISAPPROPRIATION OF FUNDS, HAS BEEN DENIED A LICENSE TO ENGAGE IN A BUSINESS RELATING DIRECTLY OR INDIRECTLY TO REAL ESTATE OR LOAN