

11-523.

(a) Any person who willfully violates any provision of this subtitle or any rule or regulation adopted under it is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or both.

(b) Any unlicensed person who is not exempt from licensing under this subtitle who makes or assists a borrower in obtaining a mortgage loan in violation of this subtitle may collect only the principal amount of the loan and may not collect any interest, costs, finder's fees, broker fees, or other charges with respect to the loan.

(c) Any mortgage lender OR EMPLOYEE OR AGENT OF A MORTGAGE LENDER who willfully misappropriates ~~for otherwise~~ intentionally and fraudulently converts to the mortgage lender's OR TO THE MORTGAGE LENDER'S EMPLOYEE'S OR AGENT'S own use moneys in excess of \$300 rightfully belonging to a borrower, OR WHO OTHERWISE COMMITS ANY FRAUDULENT ACT IN THE COURSE OF ENGAGING IN THE MORTGAGE LENDING BUSINESS is guilty of a felony and on conviction is subject to a fine not to exceed \$100,000 or imprisonment not exceeding 15 years or both.

Article - Real Property

7-109.

(a) [This section applies only to a transaction involving a purchase money loan secured by first deeds of trust or mortgages on real property that contains no more than 4 dwelling units.

(b)] (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "AFFILIATE" MEANS ANY ASSOCIATION, CORPORATION, BUSINESS TRUST, OR OTHER SIMILAR ORGANIZATION THAT CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH, A FINANCIAL INSTITUTION, AS DEFINED IN § 1-101 OF THE FINANCIAL INSTITUTIONS ARTICLE.

(3) "SETTLEMENT" MEANS THE PROCESS OF EXECUTING AND DELIVERING TO THE LENDER OR THE AGENT RESPONSIBLE FOR SETTLEMENT, LEGALLY BINDING DOCUMENTS EVIDENCING OR SECURING A LOAN SECURED BY A DEED OF TRUST OR MORTGAGE ENCUMBERING REAL PROPERTY IN THIS STATE.

(B) (1) In any CONSUMER LOAN transaction [for the sale of real property] IN WHICH THE LOAN IS SECURED BY A PURCHASE MONEY MORTGAGE OR DEED OF TRUST ON REAL PROPERTY LOCATED IN THIS STATE, on or before the day of closing SETTLEMENT, [a] THE lender shall disburse the loan PROCEEDS IN ACCORDANCE WITH THE LOAN DOCUMENTS to the agent responsible for settlement as provided in ~~subsection~~ SUBSECTIONS [(c)] (B) (C) AND (D) of this section.

(2) IN ANY CONSUMER LOAN TRANSACTION IN WHICH THE LOAN IS SECURED BY A SECONDARY DEED OF TRUST OR MORTGAGE ON REAL PROPERTY LOCATED IN THIS STATE, ON OR BEFORE THE DAY OF CLOSING FUNDING THE AGENT