

Approved May 21, 1998.

**CHAPTER 761**  
**(House Bill 202)**

AN ACT concerning

**Consumer Credit - Mortgage Lending Business Reforms**

FOR the purpose of altering the manner in which certain points, loan origination fees, commissions, finder's fees, or similar charges may be allocated between a mortgage broker and a lender or credit grantor in certain loan transactions and establishing an aggregate percentage cap on the amount of such charges; altering the manner and permissible location in which applications for certain loan transactions secured by secondary mortgages or deeds of trust may be conducted accepted, subject to certain conditions; allowing certain loan closings to be conducted at certain locations under certain circumstances; repealing certain licensing requirements relating to certain credit grantors; specifying certain continuing education requirements for a mortgage broker and a mortgage lender and its loan officers, subject to certain regulations adopted by the Commissioner of Financial Regulation; ~~requiring certain persons to obtain fidelity bonds for certain purposes; requiring the Commissioner of Financial Regulation to examine the use of the Maryland Consumer Protection Act for certain purposes; clarifying provisions regarding for whose benefit certain surety bond requirements are established;~~ altering the scope of certain activities in the mortgage lending business that may constitute criminal behavior; altering the manner in which certain loan funds may be disbursed at settlement; defining certain terms; requiring the Commissioner of Financial Regulation to report to certain committees on certain regulations prior to their adoption and implementation; and generally relating to certain practices and requirements related to the conduct of the mortgage lending business in the State.

BY repealing and reenacting, with amendments,

Article - Commercial Law

~~Section 12-405, 12-804(a), 12-903(a), 12-915, and 12-1015~~

Section 12-405, 12-903(a), and 12-1005

Annotated Code of Maryland

(1990 Replacement Volume and 1997 Supplement)

~~BY repealing and reenacting, without amendments,~~

~~Article - Financial Institutions~~

~~Section 11-507(d) and (e)~~

~~Annotated Code of Maryland~~

~~(1998 Replacement Volume)~~

BY repealing and reenacting, with amendments,