SENATE BILL 33

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(PRE–FILED) CF HB 142

By: **Chair, Finance Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Requested: October 3, 2016
Introduced and read first time: January 11, 2017
Assigned to: Finance

Committee Report: Favorable
Senate action: Adopted
Read second time: January 20, 2017

CHAPTER ______

AN ACT concerning

Financial Institutions – Mortgage Lenders – Examinations and Records

FOR the purpose of extending the interval within which the Commissioner of Financial Regulation must conduct examinations of certain mortgage lender licensees; altering the minimum time period for which a mortgage lender licensee must retain certain records; and generally relating to the regulation of mortgage lenders.

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section 11–513 and 11–515(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

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

Article – Financial Institutions

11–513.

(a) Each licensee shall keep and make available to the Commissioner at the licensee's place of business any books and records that the Commissioner, by rule or regulation, requires to enable the Commissioner to enforce:

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW**.
[Brackets**]** indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

(1) This subtitle;

(2) Any rule or regulation adopted under this subtitle; and

(3) Any other provision regulating the application, making, brokering, or servicing of mortgage loans under Titles 12 through 14 of the Commercial Law Article.

(b) Subject to approval by the Commissioner, nothing in this section is to be construed to prohibit a licensee from maintaining duplicate records or electronic equivalents at the licensee's place of business.

(c) Notwithstanding subsection (a) of this section, on approval of the Commissioner, a licensee need not keep at the licensee's place of business any books and records otherwise required by the Commissioner under subsection (a) of this section if the licensee:

(1) Makes the books and records available to the Commissioner at the licensee's place of business within 5 business days of the Commissioner's official request; and

(2) Retains the records for at least **[**25**]** **61** months in a storage facility disclosed to the Commissioner.

11–515.

(a) (1) The Commissioner shall examine the business of each licensee:

(i) In accordance with a schedule established by the Commissioner; and

(ii) At any other time that the Commissioner reasonably considers necessary.

(2) The schedule established by the Commissioner under paragraph (1)(i) of this subsection shall:

(i) Take into account:

1. The length of time the licensee has been engaged in business as a mortgage lender;

2. Any prior violations by the licensee of the mortgage lending law or regulations;

3. The nature and number of any complaints made against the licensee; and

4. The result of findings from any prior examination of the licensee; and

(ii) Provide that:

1. New licensees shall be examined within 18 months of the date the license is issued; and

2. Each licensee shall be examined at least once during any **[**36–month**]** **60–MONTH** period.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.