



COMMISSIONER OF FINANCIAL REGULATION ADVISORY NOTICE REGULATORY ALERT



October 18, 2017

STATEMENT REGARDING COMMERCIAL LAW ARTICLE, §13-316(B): MARYLAND MORTGAGE SERVICING TRANSFER NOTICE REQUIREMENTS

The Commissioner of Financial Regulation (“Commissioner”) has received questions regarding enforcement of Md. Code Ann., Commercial Law Article (“CL”) §13-316(b).

CL §13-316(b) requires a mortgage servicer to provide a mortgagor, within 7 days of acquiring mortgage servicing, a notice containing specific information regarding the mortgagor’s account and certain responsibilities of the servicer.

However, a federal statute, 12 U.S.C. § 2605, also imposes a notice requirement for federally related mortgage loans, which has been implemented by 12 C.F.R. § 1024.33. 12 U.S.C. § 2605(h) provides that, “[n]otwithstanding any provision of any law or regulation of any State, a person who makes a federally related mortgage loan or a servicer shall be considered to have complied with the provisions of any such State law or regulation requiring notice to a borrower at the time of application for a loan or transfer of the servicing of a loan if such person or servicer complies with the requirements under this section regarding timing, content, and procedures for notification of the borrower.” 12 CFR § 1024.33(d) similarly provides: “A lender who makes a mortgage loan or a servicer shall be considered to have complied with the provisions of any State law or regulation requiring notice to a borrower at the time of application for a loan or transfer of servicing of a loan if the lender or servicer complies with the requirements of this section” and states that “there shall be no additional borrower disclosure requirements.”

The Commissioner currently will examine licensees for compliance with 12 U.S.C. § 2605 and 12 CFR §1024.33. Consistent with 12 U.S.C. § 2605 and 12 C.F.R. § 1024, if the licensee has fully complied with the notice provisions of 12 U.S.C. § 2605 and 12 CFR §1024.33, the Commissioner will not then examine for an additional notice sent pursuant to CL § 13-316(b).

Questions may be sent to Charis Taylor, Director of Mortgage Servicing Supervision: (410) 230-6095 or email charis.taylor@maryland.gov.