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# MARYLAND COMMISSIONER OF FINANCIAL REGULATION INDUSTRY ADVISORY REGULATORY GUIDANCE

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September 25, 2025

## House Bill 1018: Disclosure of Assumption Upon Divorce Provision in Mortgage Loans

The Maryland Office of Financial Regulation (OFR) issues this supplemental guidance in response to questions regarding the disclosure provisions of House Bill 1018 and [OFR's August 19, 2025 advisory](#).

House Bill 1018 requires certain mortgage loans to include a provision permitting a borrower, following a divorce decree awarding the borrower the property, to assume the loan and purchase the co-borrower's interest in the property, provided the mortgage holder determines that the borrower qualifies for the assumption. The new law, effective October 1, 2025, requires mortgage lenders (including brokers) to disclose this provision in writing to a loan applicant ***"before the completion of the loan application."*** The bill did not define "completion of the loan application" and industry members have questioned how to properly interpret this provision and comply.

While they did not define "completion of the loan application," it is clear the General Assembly intended that disclosure be provided early in the loan process, rather than after approval or at loan closing. Until further notice, OFR will consider a lender compliant with the disclosure requirement if the Lender provides the written disclosure before receiving an applicant's financial documentation (income, assets, and debts) needed to assess creditworthiness and ability to repay the loan. Because a lender may receive this information in its initial contact with an applicant, OFR will also presume compliance if the disclosure is provided to the applicant within three business days of receipt of a complete application as defined in 12 CFR §1026.2(a)(3).

OFR plans to issue future regulations on this topic.

### Contact

For any questions regarding this advisory, please contact Clifford Charland, Assistant Commissioner – Financial Services Licensing and Supervision, by phone at 410-230-6167 or by email at [clifford.charland@maryland.gov](mailto:clifford.charland@maryland.gov).

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*The Office of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's consumer financial protection agency and financial services regulator. For more information, please visit our website at [www.labor.maryland.gov/finance](http://www.labor.maryland.gov/finance).*



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