



**MARYLAND COMMISSIONER OF
FINANCIAL REGULATION
INDUSTRY ADVISORY
REGULATORY NOTICE**



September 11, 2020

CONSUMER PROTECTIONS FOR MOBILE HOME PURCHASERS

At the conclusion of the 2020 session, Governor Hogan signed into law Chapter(s) 48 and 49 of the Acts of 2020 (House Bill 93 and Senate Bill 155, respectively). Codified within Md. Code Ann., Commercial Law, Title 12 and Title 14, as well as Md. Code Ann., Financial Institutions, Title 11, effective October 1, 2020, the new law relates to consumer protections related to mobile home (a/k/a manufactured home) financing.

The new law establishes several requirements related to mobile home financing. Specifically, the law:

- 1) Codifies the federal definition of “dwelling” and establishes a State definition of “mobile home;”
- 2) Imposes upon mobile home retailers a duty of good faith and fair dealing, which requires them to provide consumer disclosures and other information, on a form prescribed by the Commissioner, and prohibits them from steering a prospective consumer borrower to certain financing products; and
- 3) Generally requires a foreclosure notice to be provided at least 30 days prior to a lender or credit grantor initiating repossession on a mobile home unless the mobile home is vacant and abandoned or if the borrower voluntarily surrenders the mobile home to the lender or credit grantor. Any notice given less than 30 days before repossession must be accompanied by a certification that the mobile home is vacant and abandoned, or has been surrendered – better aligning the foreclosure process for mobile homes with the foreclosure process governed by the Real Property Article.

The new law also alters the definition of “mortgage loan originator” to exclude an individual who is an employee of a mobile home retailer (or is a retailer themselves) if they do not receive direct or indirect compensation from engaging in mortgage loan origination activities as defined in the Financial Institutions Article (*see*, §11-601(q)(1)). The current law will remain in effect in all other respects.

If you have any questions, you may contact Clifford Charland, Director of Non-Depository Operations, by e-mail at clifford.charland@maryland.gov, or by telephone at 410-230-6167.

The Office of the Commissioner of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's banking and financial services regulatory agency. For more information, please visit our website at labor.maryland.gov/finance.



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