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Maryland Department of Labor, Licensing, and Regulation (MD-DLLR) Pre-licensure Education (PE) Notice

Purpose

The purpose of this notice is to inform NMLS approved course providers of the required topics to be covered in the 5 hour state specific pre-licensure education (PE) requirement which must be met as a condition for obtaining a mortgage loan originator (MLO) license with the Maryland Department of Labor, Licensing, and Regulation.

MD-DLLR PE requirements are as follows:

- 3 hours of Federal law;
- 3 hours of Ethics;
- 2 hours of non-traditional mortgage lending;
- 7 hours of general electives;
- 5 hours of Maryland state-specific defined electives.

Total PE: 20 Hours

MD-DLLR has established the following required topics list for the 5 hours of state-specific PE:

- Maryland Mortgage Originator Law and Mortgage Originator Regulations
- Maryland Mortgage Lender Law and Mortgage Lender Regulations
- Interest and Usury laws
- Maryland Equal Credit Opportunity Act
- Credit laws
- Real Property Law
- Administrative Procedures Act
- Criminal Law (including issuing counterfeit private instruments and documents)
- Maryland finder's fee law

References:

NOTE: Citations to statutes, regulations, etc. are subject to change as they are amended.

Abbreviations used in this list

“CL”: Commercial Law Article, Annotated Code of Maryland
“Crim”: Criminal Law Article, Annotated Code of Maryland
“FI”: Financial Institutions Article, Annotated Code of Maryland
“RP”: Real Property Article, Annotated Code of Maryland
“SG”: State Government Article, Annotated Code of Maryland
“COMAR”: Code of Maryland Regulations

List of Applicable Maryland Statutes by Title/Subtitle

NOTE: While Maryland-specific education courses should cover all laws and regulations noted below, ***bold italics*** indicate laws and regulations which are frequently cited for violation in Maryland examinations.

1. Interest and Usury
 - a. CL § 12-103(b) (Other permitted rates of interest--Loans secured by residential real property—licensing requirements).
 - b. CL § 12-105 (Charges not considered interest; prepayment penalty prohibited)
 - c. CL § 12-124 (Property insurance coverage)
 - d. CL § 12-125 (Financing agreements)
 - e. CL § 12-127 (Lender to consider homeowner’s ability to repay loan)

2. Secondary Mortgage Loans
 - a. CL § 12-402.1 (Applicable provisions governing loans)
 - b. CL § 12-405 (Permitted charges)
 - c. CL § 12-407 (Duties of lender)
 - d. CL § 12-407.1 (Form for secondary mortgage loan)
 - e. CL § 12-408 (Refinancing)
 - f. CL § 12-410 (Insurance)

3. Maryland Equal Credit Opportunity Act
 - a. CL § 12-704 (Discrimination prohibited; compliance with or violation of federal Equal Credit Opportunity Act)

4. Finder’s Fees
 - a. ***CL § 12-801 (Definitions)***
 - b. CL § 12-803 (Prohibited relationship between broker and lender)
 - c. ***CL § 12-804 (Fees mortgage broker permitted to charge)***
 - d. ***CL § 12-805 (Payment of finder’s fee)***
 - e. CL § 12-806 (Refund of finder’s fee)
 - f. CL § 12-807 (Violation of finder’s fee subtitle)
 - g. ***CL § 12-808 (Circumstances under which broker may not collect fee)***

5. Credit Grantor Law
 - a. CL § 12-1009 (Prepayment charges prohibited)
 - b. CL § 12-1013(b)(1) (Indicate election of this subtitle in the promissory note)

6. Reverse Mortgage Loans
 - a. CL § 12-1204 (Conformance to requirements of federal law)
 - b. CL § 12-1205 (Inapplicability of federal provisions)
 - c. CL § 12-1206 (Requirements for purchasers)
 - d. CL § 12-1207 (Counseling agency checklist)

7. Denial of Credit—Disclosure
 - a. ***CL § 14-1702 (Notice of action upon application for credit)***

8. Certain prohibited conduct
 - a. FI § 2-113.1 (*effective 7/1/22*)*

9. Mortgage Lender Law
 - a. FI § 11-501 (Definitions)
 - b. FI § 11-502 (Exceptions to subtitle)
 - c. FI § 11-504 (License or registration requirement)
 - d. ***FI § 11-505 (Licenses and licensees generally)***
 - e. ***FI § 11-506 (a) (Qualifications for license)***
 - f. FI § 11-508 (Surety bonds)
 - g. FI § 11-508.1 (Lender net worth requirements)
 - h. FI § 11-509 (Investigation of applicant—issuance of license)
 - i. FI § 11-511 (Term and renewal of licenses)
 - j. FI § 11-511.1 (Continuing education)
 - k. ***FI § 11-512 (Change of place of business; change in control)***
 - l. FI § 11-512.1 Information posted by licensee at the licensed location and on website*
 - m. ***FI § 11-513 (Books and records)***
 - n. ***FI § 11-513.1 (Quarterly call reports)***
 - o. FI § 11-515 (Investigatory powers and duties of Commissioner—complaints) specifically § 11-515 (a).
 - p. FI § 11-516 (Order to stop doing business)
 - q. ***FI § 11-517 (Suspension or revocation of license—enforcement of subtitle—regulations, etc.; employment of mortgage originators)***
 - r. FI § 11-520 (Trade names)

10. Mortgage Loan Originator Law
 - a. ***FI § 11-601 (Definitions)***
 - b. FI § 11-602 (General considerations)
 - c. ***FI § 11-603 (Powers of licensees)***
 - d. FI § 11-604 (Applications)
 - e. FI § 11-605 (Qualifications for license)
 - f. FI § 11-606 (Prelicensing education courses)
 - g. FI § 11-606.1 (Written tests)
 - h. FI § 11-607 (Investigation and approval)
 - i. FI § 11-609 (Term, expiration, and renewal of license)
 - j. FI § 11-612 (Continuing education)
 - k. FI § 11-613 (Investigations)
 - l. FI § 11-614 (Order to stop operations)
 - m. FI § 11-615 (Violations; penalties)
 - n. FI § 11-616 (Hearings)
 - o. FI § 11-617 (Criminal sanctions for willful violations)
 - p. FI § 11-622 (Reports to NMLS; regulations)

- q. FI § 11-624 (Prohibited and permitted acts)
- 11. Real Property Law
 - a. RP § 7-401 (Mortgage fraud)
 - b. RP § 7-402 (mortgage fraud prohibited)
- 12. Administrative Procedures Act
 - a. SG § 10-222 (Judicial review)
 - b. SG § 10-226 (Licenses—special provisions)
- 13. Criminal Law
 - a. Crim § 8-602 (Issuing counterfeit private instruments and documents)

Constitutional Provisions

- 1. Constitution of Maryland
 - a. Constitution of Maryland, Article V, Section 3(a) (Powers and duties of Attorney General)

List of Applicable Maryland Regulations

- 1. Mortgage Lender Regulations
 - a. **COMAR 09.03.06.02 (Definitions)**
 - b. **COMAR 09.03.06.04 (Licensing requirements)**
 - c. **COMAR 09.03.06.05 (Records) specifically part C provision of Records to Commissioner**
 - d. COMAR 09.03.06.06 (Advertising and Solicitation)
 - e. COMAR 09.03.06.07 (Financing Agreement)
 - f. **COMAR 09.03.06.08 (Agreements with borrower)**
 - g. COMAR 09.03.06.09 (Loan Processing)
 - h. **COMAR 09.03.06.10 (Fees)**
 - i. COMAR 09.03.06.11 (Closing)
 - j. COMAR 09.03.06.12 (Brokers)
 - k. COMAR 09.03.06.13 (Expedition)
 - l. COMAR 09.03.06.15 (Waivers)
 - m. COMAR 09.03.06.16 (Bonds, Letters of Credit, and Trust Accounts)
 - n. **COMAR 09.03.06.18 (Continuing Education)**
 - o. **COMAR 09.03.06.20 (Duty of care)**
*sample form at:
<https://labor.maryland.gov/forms/frnettangiblebenefitsworksheet.pdf>
 - p. COMAR 09.03.06.22 D (Fees)
- 2. Credit and Other Regulation
 - a. COMAR 09.03.10.02 (Duty to report fraud)
- 3. General Regulations
 - a. COMAR 09.03.02.08 (Remote Work for Employees of Licensees)

4. Mortgage Originator Regulations
 - a. COMAR 09.03.09.02 (Definitions)
 - b. COMAR 09.03.09.03 (Education requirements)
 - c. COMAR 09.03.09.04 (Duty of care)
 - d. COMAR 09.03.09.05D (Applications—timing considerations)
 - e. COMAR 09.03.09.07 (Locations)
 - f. COMAR 09.03.09.08 (Loan origination under an expired license)
 - g. COMAR 09.03.09.09 (Advertising)

5. Real Estate Appraisers
 - a. COMAR 09.19.05.02 (Code of Ethics)

* added 06/10/2022

NMLS Approving Authority

In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy the PE & CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy these requirements must also meet NMLS course approval standards as detailed in the *Functional Specification for All NMLS Approved Courses*.

Legislative Updates

Course providers are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules.