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. **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 (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 § 11-513 (Books and records)**
   m. **FI § 11-513.1 (Quarterly call reports)**
   n. FI § 11-515 (Investigatory powers and duties of Commissioner—complaints)
   o. FI § 11-516 (Order to stop doing business)
   p. **FI § 11-517 (Suspension or revocation of license—enforcement of subtitle—regulations, etc.; employment of mortgage originators)**
   q. FI § 11-520 (Trade names)

9. **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)

10. **Real Property Law**
    a. RP § 7-401 (Mortgage fraud)
    b. RP § 7-402 (mortgage fraud prohibited)

11. **Administrative Procedures Act**
a. SG § 10-222 (Judicial review)
b. SG § 10-226 (Licenses—special provisions)

12. **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 09.03.06.03 (Licensing requirements)**
   c. **COMAR 09.03.06.04 (Records)**
   d. COMAR 09.03.06.05 (Advertising and Solicitation)
   e. COMAR 09.03.06.06 (Financing Agreement)
   f. **COMAR 09.03.06.07 (Agreements with borrower)**
   g. COMAR 09.03.06.08 (Loan Processing)
   h. **COMAR 09.03.06.09 (Fees)**
   i. COMAR 09.03.06.10 (Closing)
   j. COMAR 09.03.06.11 (Brokers)
   k. COMAR 09.03.06.12 (Expedition)
   l. COMAR 09.03.06.14 (Waivers)
   m. COMAR 09.03.06.15 (Bonds, Letters of Credit, and Trust Accounts)
   n. **COMAR 09.03.06.17 (Continuing Education)**
   o. **COMAR 09.03.06.20 (Duty of care)**
   *sample form at: [www.dllr.md.gov/forms/frnettangiblebenefitsworksheet.doc](http://www.dllr.md.gov/forms/frnettangiblebenefitsworksheet.doc)*
   p. COMAR 09.03.10.02 (Duty to report fraud)

2. **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)

3. **Real Estate Appraisers**
   a. COMAR 09.19.05.02 (Code of Ethics)
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.