



Rescission of Prior Guidance and Proposed Regulations Following Enactment of New Law Clarifying Licensing Exemptions for Certain Mortgage Trusts (Maryland)

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MARYLAND COMMISSIONER OF FINANCIAL REGULATION INDUSTRY ADVISORY REGULATORY GUIDANCE



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May 29, 2025

Rescission of Prior Guidance and Proposed Regulations Following Enactment of New Law Clarifying Licensing Exemptions for Certain Mortgage Trusts

The Maryland Office of Financial Regulation (OFR) issues this regulatory guidance to notify stakeholders of significant changes to Maryland law resulting from the enactment of House Bill 1516, which directly exempts the licensing of certain trusts that acquire or are assigned mortgage loans ("Mortgage Trusts").

Effective immediately, OFR rescinds its prior [guidance](#) issued on January 10, 2025, and all related advisories (issued on [January 31, 2025](#), and [February 18, 2025](#)) and enforcement deadlines concerning licensing requirements for Mortgage Trusts. OFR is also formally withdrawing the previous emergency and proposed regulations relating to Mortgage Trust licensure, Maryland Register, Volume 52, Issue 11, Page 535 (Issued May 30, 2025).¹

HB1516, signed into law and effective on April 22, 2025, exempts two categories of trusts from Maryland's installment loan and mortgage lender licensing requirements under

Financial Institutions Article, Title 11, Subtitles 3 and 5:

- Passive Trusts, which:
 - Acquire or are assigned mortgage loans in whole or in part;
 - Do not make loans, are neither mortgage brokers nor servicers, and do not engage in servicing mortgage loans (except for transmitting payments received from a servicer).
- Government Trusts, meaning trusts established by any corporate instrumentality of the U.S. government for the purpose of acquiring mortgage loans.

HB1516 defines “trusts” broadly and clarifies that the exemption applies regardless of whether the trust is formed under Maryland law or another state's law.

Entities that believe they qualify as Passive or Government Trusts should review the statute and consult legal counsel to evaluate their exemption eligibility.

Additionally, HB1516 creates the Maryland Licensing Workgroup, chaired by the Commissioner of Financial Regulation or his designee, to study broader financial licensing requirements in the state and recommend improvements by December 31, 2025.

OFR is also aware that Westlaw has updated its records with both HB1516 and an earlier version of the proposed law from the cross-filed bill, SB1026. The text of HB1516 is the accurate version, and OFR is working with Westlaw to rectify the error.

Finally, OFR clarifies that commercial lenders making loans exclusively for business purposes under Maryland's installment loan statutes, as defined by Md. Code Ann., Fin. Inst. § 11-301, are not subject to OFR's licensing requirements under mortgage lending and installment licensing provisions.

Contact

For any questions regarding this advisory, or to nominate a member of the Maryland Licensing Workgroup, please contact Clifford Charland, Director of Operations – Financial Services Licensing and Supervision, by phone at 410-230-6167 or by email at clifford.charland@maryland.gov.

1. Maryland Register, Volume 52, Issue 1, Pages 17, 27 (Issued January 10, 2025)

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.



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