

CHAPTER 138
FORMERLY
HOUSE BILL NO. 149

AN ACT TO AMEND TITLE 5 OF THE DELAWARE CODE RELATING
TO COMPENSATION RECEIVED BY MORTGAGE LOAN BROKERS
AND LICENSED LENDERS FOR MORTGAGE LOAN MODIFICATION
SERVICES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF
DELAWARE:

Section 1. Amend Chapter 21, Title 5 of the Delaware Code by adding a new § 2119 to read as follows:

“§ 2119. Mortgage loan modification services; compensation.

(a) As used in this section, unless the context requires otherwise, “mortgage loan modification services” means services as an intermediary between an individual and one or more mortgage loan creditors for the purpose of obtaining:

(1) assent to the repayment of a mortgage loan on terms more favorable to the individual than the terms of the original mortgage loan; or

(2) an arrangement to delay, prevent, remedy, eliminate or discharge any default on the terms of a mortgage loan, or the sale of any property incident to a foreclosure or other judicial proceeding based on a mortgage loan.

(b) A licensee may not receive any compensation for mortgage loan modification services prior to the execution of a written contract that describes in detail all such services that the licensee will perform and all compensation that the licensee will receive for those services. Any compensation received by a licensee in advance of the completion of all such services may not exceed \$250.

(c) The total compensation that a licensee receives for mortgage loan modification services must be limited to an amount that is customary and reasonable for those services in this State.”.

Section 2 . Amend Chapter 22, Title 5 of the Delaware Code by adding a new § 2245 to read as follows:

“§ 2245. Mortgage loan modification services; compensation.

(a) As used in this section, unless the context requires otherwise, "mortgage loan" has the meaning set forth in § 2101 of this title.

(b) As used in this section, unless the context requires otherwise, “mortgage loan modification services” means services as an intermediary between an individual and one or more mortgage loan creditors for the purpose of obtaining:

(1) assent to the repayment of a mortgage loan on terms more favorable to the individual than the terms of the original mortgage loan; or

(2) an arrangement to delay, prevent, remedy, eliminate or discharge any default on the terms of a mortgage loan, or the sale of any property incident to a foreclosure or other judicial proceeding based on a mortgage loan.

(c) A licensee may not receive any compensation for mortgage loan modification services prior to the execution of a written contract that describes in detail all such services that the licensee will perform and all compensation that the licensee will receive for those

services. Any compensation received by a licensee in advance of the completion of all such services may not exceed \$250.

(d) The total compensation that a licensee receives for mortgage loan modification services must be limited to an amount that is customary and reasonable for those services in this State.”.

Section 3. If any provision of this Act or its application to any person or circumstance is held invalid, the remainder of the Act or the application of the provision to other persons or circumstances shall not be affected

Section 4. This Act shall take effect upon enactment.

Approved July 08, 2009