

23400 Michigan Avenue, Suite 101  
Dearborn, MI 48124  
Tel: 1-(866) 534-6177 (toll-free)  
Fax: 1-(734) 943-6051  
Email: [contact@legaleasesolutions.com](mailto:contact@legaleasesolutions.com)  
[www.legaleasesolutions.com](http://www.legaleasesolutions.com)

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## Delaware Mortgage Laws and Regulations

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### Introduction

LegalEase was asked to review and summarize any legislation since January of 2007 (including pending legislation) affecting the mortgage industry in Delaware in the following areas:

#### I. MORTGAGE ORIGINATION

##### 1. Pending legislation since January of 2007

There is no new pending legislation since January of 2007.

##### 2. Legislation since January of 2007

There is no new legislation since January of 2007.

#### II. MORTGAGE LICENSING

##### 1. Pending legislation since January of 2007

###### i). 2007 Bill Tracking DE S.B. 203

DATE OF INTRODUCTION: March 11, 2008

LAST ACTION: April 23, 2008

STATUS: Senate Amendment placed with bill

**SUMMARY:** This bill seeks to amend title 5 of the Delaware code relating to participation in a multi-state automated licensing system. The Conference of State Bank Supervisors and the American Association of Residential Mortgage regulators have jointly developed an automated system designed for use on a multi-state basis that will facilitate the licensing of certain businesses regulated under Chapters 21 and 22 of Title 5. This Act authorizes the State Bank Commissioner to participate in that system and provides the Commissioner authority to establish additional licensing requirements and fees that are necessary for that participation.

**3. MORTGAGE FEES AND CHARGES**

**1. Pending legislation since January of 2007**

There is no new pending legislation since January of 2007.

**2. Legislation since January of 2007**

There is no new legislation since January of 2007.

**4. CONTINUING EDUCATION FOR MORTGAGE INDUSTRY PROFESSIONALS.**

**1. Pending legislation since January of 2007**

There is no new pending legislation since January of 2007.

**2. Legislation since January of 2007**

There is no new legislation since January of 2007.

**5. ANY SIGNIFICANT OR REGULATORY OR REGULATORY EFFECT ON THE MORTGAGE INDUSTRY.**

**i) 2007 Bill Tracking DE H.B. 162**

DATE OF INTRODUCTION: May 9, 2007

LAST ACTION: May 9, 2007

STATUS: To House Committee on Economic Development, Banking and Insurance

SUMMARY: This bill seeks to amend title 5 of the Delaware code relating to predatory mortgage lending. This bill creates the Delaware Predatory Mortgage Lending Prevention Act which prohibits unfair lending practices in relation to residential home loans, and provides civil and administrative enforcement procedures. This bill would protect the equity and property interests of Delaware's home owners, provide needed consumer protections, and safeguard the economic vitality of the State.

**ii) 2007 Bill Tracking DE S.B. 143**

DATE-INTRO: June 19, 2007

LAST-ACTION: June 19, 2007

STATUS: To Senate Committee on Finance

SUMMARY: This bill seeks to amend title 30 of the Delaware code related to realty transfer tax. To help facilitate the development of affordable housing statewide, this bill will

exempt development from the Realty Transfer Tax provisions when the development is funded in whole or in part from the Housing Development Fund and/or certain HOME funds.

**iii) 2007 Bill Tracking DE S.B. 163**

DATE OF INTRODUCTION: June 26, 2007

LAST ACTION: February 6, 2008

STATUS: House Amendment placed with bill. No.1

**SUMMARY:** This bill seeks to amend titles 5 and 29 of the Delaware code relating to foreclosure protection for homeowners. Enacts the Mortgage Rescue Fraud Protection Act; regulates foreclosure consultants and foreclosure reconveyances in order to protect homeowners in foreclosure from mortgage rescue schemes that deplete the homeowner's equity; relates to disclosures, contracts, deeds and titles, prohibited acts, and other provisions.

**iv) 2007 Bill Tracking DE S.B. 179**

DATE OF INTRODUCTION: September 18, 2007

LAST ACTION: March 18, 2008

STATUS: From House Committee on Policy Analysis and Government Accountability

**SUMMARY:** This bill seeks to amend title 24 of the Delaware code relating to real estate appraisal. Revises the definition of 'appraisal' to eliminate circular language and enables the enforcement of penalties for unlicensed practice; adds definition of real estate appraiser which was removed from the statute in the last statutory revision.

- Section 1 of this bill revises the definition of "appraisal" to eliminate circular language and enables the enforcement of penalties for unlicensed practice.
- Section 2 of the bill adds a definition of "real estate appraiser" which was removed from the statute in the last statutory revision. The added definition differs from the prior definition in that the qualification that the activity must be performed "for compensation or valuable consideration" has been removed. The definition is necessary because the term "real estate appraiser" is used throughout the statute.
- Section 3 of this bill changes the configuration of the Council to alleviate difficulty in identifying a licensed real estate appraiser willing to sit and remain on the Council.
- Section 4 of the bill revises the section which requires licensure to clarify that engaging in the act of appraising, as well as holding oneself out as an appraiser, is unlawful unless the person is licensed or certified under the chapter.
- Section 5 of this bill revises Section 4009 to bring the Council's statute into compliance with the latest federally-mandated Uniform Standards of Professional Appraisal Practice.

v) 2007 Bill Tracking DE S.B. 240

DATE OF INTRODUCTION: April 16, 2008

LAST ACTION: April 16, 2008

STATUS: To Senate Committee on Banking

**SUMMARY:** This bill amends title 10 of the Delaware code relating to exemptions. Allows equity in real property to be protected from creditors to the same extent as equity in investments or other personal property assets; provides that a certain value in personal property assets such as stocks, bonds, cars, etc. can be exempted but investment equity in real estate that is not the debtor's residence is not protected; allows equal exemption treatment between personal property investment value and real property net value.

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