



MARYLAND COMMISSIONER OF FINANCIAL REGULATION CONSUMER ADVISORY



August 19, 2025

New Maryland Law Gives Divorcing Homeowners a Path to Keep Their Home Without Refinancing

Starting October 1, 2025, a new Maryland law ([House Bill 1018](#)) gives certain homeowners going through a divorce the opportunity to stay in their home without refinancing the mortgage. If both spouses signed the mortgage, the loan must now include a clause allowing one spouse to take over the loan and buy out the other's share, as long as the mortgage lender agrees that the remaining spouse qualifies to take over the loan on their own.

What Does the Law Mean?

If your mortgage is covered by the new law and you get a final divorce on or after October 1, 2025, and the court gives you ownership of the home, you can ask your mortgage company to let you take over ("assume") the loan in your name only. The mortgage company will check to make sure you qualify on your own. This usually means you must meet their requirements for things like credit score, income, and debt.

What Loans Are Covered?

This law applies to most standard home loans used to buy or refinance a home for personal or family use. These are called "conventional" loans, meaning they are not backed by the federal government. If your conventional loan was made on or after October 1, 2025, it must include a clause allowing loan assumption after divorce. The law also says that older loans, made before October 1, 2025, will be treated as if they include this clause too.

What Loans Are NOT Covered?

It is important to note that the law **does not** apply to loans backed by the federal government, such as FHA, VA, or USDA loans. (Some of these may already include provisions allowing you to assume them—ask your mortgage company for information.) Additionally, it **does not** apply to loans made by national banks (for example: Bank of America, Chase Bank, Wells Fargo) or by federal credit unions.

What Do Lenders Have to Do?

Lenders taking applications for covered loans on or after October 1, 2025, must give the applicant a written notice that the loan includes a provision allowing assumption in the event of divorce. This notice must be given before the application has been completed.

Complaints

Complaints about mortgage lenders and servicers can be submitted to the Office of Financial Regulation online <https://www.labor.maryland.gov/finance/consumers/comphow.shtml>, by email at CSU.Complaints@maryland.gov or by phone at 410-230-6077.

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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