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§12–105.

(a) In this section, "mortgage loan" has the meaning stated in § 11–501 of the Financial Institutions Article.

(b) Fees and charges collected at the direction of and actually paid to a government or governmental agency may be collected and are not interest under this subtitle.

(c) Except as provided in subsection (d) of this section, if the loan contract provides for them, the following fees and charges also may be collected and are not interest under this subtitle:

(1) A service charge for investigation and the continued servicing of collateral for a commercial loan secured by inventory or accounts receivable;

(2) A service charge made by a broker or dealer dealing in investment securities if:

(i) Money is advanced on the security of pledged investment securities; and

(ii) Services are rendered in the collection, crediting, and disbursement of income on the investment securities and in the furnishing of income tax and other information in connection with that income;

(3) A delinquent or late charge of the greater of $2 or 5 percent of the total amount of any delinquent or late periodic installment of principal and interest, if:

(i) The delinquency has continued for at least 15 calendar days; and

(ii) A delinquent or late charge has not already been charged for the same delinquency; and

(4) A prepayment charge or penalty on a prepayment of the unpaid principal balance of the loan, if the loan is secured by a home, by a combination of home and business property, or by agricultural property, or if the loan is a commercial loan not in excess of $15,000, provided that the charge or penalty:

(i) May be imposed only on prepayments made within 3 years from the date the loan is made; and

(ii) May not exceed an amount equal to 2 months' advance interest on the aggregate amount of all prepayments made in any 12–month period in excess of one–third of the amount of the original loan.

(d) In connection with a mortgage loan, a lender may not require or authorize the imposition of a penalty, fee, premium, or other charge in the event the mortgage loan is prepaid in whole or in part.

(e) The following charges, if actual expenses of the lender, also may be collected and, if not retained by him, are not interest under this subtitle:

(1) Charges by the lender's attorney for service rendered in connection with the preparation, closing, or disbursement of the loan;

(2) Charges for the payment of any property expense, tax, or governmental charge; and

(3) Charges for the payment of any premium and cost for insuring:

(i) The lender against loss or liability on or in connection with the loan; or

(ii) The life or health of the borrower.

(f) Fees and charges otherwise includable as interest under this subtitle paid by a developer to the lender for the purpose of making permanent loans available to home purchasers are not interest under this subtitle. These fees and charges may not be charged to the home purchaser unless they are charged as interest and do not violate § 12–108 of this subtitle.

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