

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL NO. 502

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “any” in line 3 down through “changes” in line 5 and substitute “loan proceeds in certain loan transactions in certain forms; authorizing certain financial institutions to disburse certain loan proceeds in certain forms; defining certain terms”.

AMENDMENT NO. 2

On page 1, after line 18, insert:

“(A)(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “AFFILIATE” MEANS ANY ASSOCIATION, CORPORATION, BUSINESS TRUST, OR OTHER SIMILAR ORGANIZATION THAT CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH, A FINANCIAL INSTITUTION, AS DEFINED IN § 1-101 OF THE FINANCIAL INSTITUTIONS ARTICLE.

(3) “SETTLEMENT” MEANS THE PROCESS OF EXECUTING LEGALLY BINDING DOCUMENTS EVIDENCING A LOAN SECURED BY A DEED OF TRUST OR MORTGAGE.”.

AMENDMENT NO. 3

On page 1, in line 19, strike the first set of brackets; in the same line, strike “(A) In any” and substitute “THIS SECTION APPLIES ONLY TO A”; in the same line, after “WHICH” insert “; (1)”; in line 21, strike “, on” and substitute: “; AND”

(2) THE AGENT RESPONSIBLE FOR SETTLEMENT IS NOT AN OFFICER, DIRECTOR, OR EMPLOYEE OF THE LENDER OR OF AN AFFILIATE OF THE LENDER.

(Over)

(C) ON”;

in the same line, strike “closing” and substitute “SETTLEMENT”; in line 22, after “loan” insert “PROCEEDS IN ACCORDANCE WITH THE LOAN DOCUMENTS”; in the same line, strike “(B)” and substitute “(D) OR (E)”; in line 24, strike “(B)” and substitute “(D)”; in the same line, after “[A]” insert “EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION,”; in lines 24 and 25, strike “to the agent responsible for settlement” and substitute “PROCEEDS”.

AMENDMENT NO. 4

On page 2, after line 8, insert:

“(E) IN ADDITION TO THE METHODS OF LOAN DISBURSEMENT PROVIDED IN SUBSECTION (D) OF THIS SECTION, A FINANCIAL INSTITUTION INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE NATIONAL CREDIT UNION ADMINISTRATION, OR THE CREDIT UNION INSURANCE CORPORATION, AND ANY AFFILIATE OR SUBSIDIARY OF SUCH AN INSTITUTION, MAY DISBURSE THE LOAN PROCEEDS IN THE FORM OF:

(1) A TELLER’S CHECK;

(2) A CASHIER’S CHECK; OR

(3) A CHECK DRAWN ON A FINANCIAL INSTITUTION INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION AND LOCATED IN THE 5TH FEDERAL RESERVE DISTRICT.”;

in line 9, strike “(C)” and substitute “(F)”; and in the same line, strike “(B)” and substitute “(D) OR (E)”.