

SENATE BILL 222

Unofficial Copy
12

1999 Regular Session
(9r1548)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by **Senator Astle**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Mortgage Lending - Private Mortgage Insurance**

3 FOR the purpose of ~~altering~~ repealing certain provisions of State law *that require*
4 *certain lenders to furnish to borrowers a certain statement* relating to private
5 mortgage insurance ~~to conform to the provisions of the federal Homeowners~~
6 ~~Protection Act of 1998~~; altering certain provisions of State law relating to private
7 mortgage insurance to conform to the provisions of the federal Homeowners
8 Protection Act of 1998; providing for the effective date of this Act; and generally
9 relating to private mortgage insurance.

10 BY repealing ~~and reenacting, with amendments,~~
11 Article - Commercial Law
12 Section 12-106(d)
13 Annotated Code of Maryland
14 (1990 Replacement Volume and 1998 Supplement)

15 BY repealing and reenacting, with amendments, ~~and reenacting, with amendments,~~

1 Article - Financial Institutions
 2 Section 5-508 and 9-903
 3 Annotated Code of Maryland
 4 (1998 Replacement Volume and 1998 Supplement)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 6 MARYLAND, That the Laws of Maryland read as follows:

7 **Article - Commercial Law**

8 12-106.

9 [(d) (1) At the time of application for a loan under this title secured by
 10 residential real property, the lender shall furnish to the borrower a clear and
 11 conspicuous written statement, in print not smaller than 10 point type, specifying
 12 that if private mortgage insurance is required to be purchased as a condition for
 13 making the loan, the borrower may be eligible to request that under appropriate
 14 circumstances the private mortgage insurance be canceled. The statement shall be
 15 signed by the borrower and a copy shall be furnished to the borrower.]

16 ~~(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO ANY LOAN
 17 SUBJECT TO THE DISCLOSURE PROVISIONS OF THE FEDERAL HOMEOWNERS
 18 PROTECTION ACT OF 1998, IF THE LENDER COMPLIES AT LOAN CONSUMMATION
 19 WITH THE DISCLOSURE REQUIREMENTS OF THE ACT.~~

20 **Article - Financial Institutions**

21 ~~§~~5-508.

22 If a banking institution holds a first mortgage on residential property and a
 23 private mortgage insurance corporation partially insures the mortgage, the banking
 24 institution shall eliminate all charges to the mortgagor for mortgage insurance
 25 premiums when the mortgage is reduced to the level at which the [~~§~~ insurance
 26 corporation has no outstanding liability;] FEDERAL HOMEOWNERS PROTECTION ACT
 27 OF 1998 REQUIRES TERMINATION OF THE PRIVATE MORTGAGE INSURANCE
 28 INSURING THE MORTGAGE. ~~FEDERAL HOMEOWNERS PROTECTION ACT OF 1998~~
 29 ~~REQUIRES TERMINATION OF THE PRIVATE MORTGAGE INSURANCE INSURING THE~~
 30 ~~MORTGAGE.~~

31 ~~§~~9-903.

32 If a savings and loan association holds a first mortgage on residential property,
 33 and the mortgage is partially insured by a private mortgage insurance company, the
 34 association shall eliminate all charges to the mortgagor for mortgage insurance
 35 premiums when the mortgage is reduced to the level at which the [~~§~~ insurance
 36 company is no longer liable;] FEDERAL HOMEOWNERS PROTECTION ACT OF 1998
 37 REQUIRES TERMINATION OF THE PRIVATE MORTGAGE INSURANCE INSURING THE
 38 MORTGAGE. ~~FEDERAL HOMEOWNERS PROTECTION ACT OF 1998 REQUIRES~~
 39 ~~TERMINATION OF THE PRIVATE MORTGAGE INSURANCE INSURING THE MORTGAGE.~~

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 29, 1999.