
By: **Delegate Weir**

Introduced and read first time: February 9, 2000

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Sales of Residential Property - Flood Insurance**

3 FOR the purpose of providing that, if a purchaser of residential real property is
4 required by a lender to purchase flood insurance as a condition to receiving a
5 loan for the purchase of the property, and the purchaser establishes that the
6 flood insurance was unnecessary, the lender must reimburse the purchaser for
7 certain costs incurred by the purchaser.

8 BY adding to
9 Article - Real Property
10 Section 14-104.2
11 Annotated Code of Maryland
12 (1996 Replacement Volume and 1999 Supplement)

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

15 **Article - Real Property**

16 14-104.2.

17 IF A PURCHASER OF RESIDENTIAL REAL PROPERTY IS REQUIRED BY A LENDER
18 TO PURCHASE FLOOD INSURANCE AS A CONDITION TO RECEIVING A LOAN FOR THE
19 PURCHASE OF THE PROPERTY, AND THE PURCHASER ESTABLISHES THAT THE FLOOD
20 INSURANCE WAS UNNECESSARY, THE LENDER SHALL REIMBURSE THE PURCHASER
21 FOR:

22 (1) THE COST OF ESTABLISHING THAT THE FLOOD INSURANCE WAS
23 UNNECESSARY, INCLUDING ANY FEES PAID FOR ENGINEERING STUDIES AND
24 APPRAISALS; AND

25 (2) THE COST OF ALL FLOOD INSURANCE PREMIUMS PAID BY THE
26 PURCHASER, TOGETHER WITH INTEREST ON THE AMOUNT PAID AT 6% PER ANNUM.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2000.

