

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 623 (Delegate Weir)

Economic Matters

Real Property - Sales of Residential Property - Flood Insurance

This bill provides that if a purchaser of residential real property who is required to buy flood insurance as a condition of receiving a loan for the property establishes that the insurance was unnecessary, the lender must reimburse the purchaser for: (1) the cost of establishing that the insurance was unnecessary; and (2) the cost of all flood insurance premiums paid by the purchaser, plus 6% interest per annum on the amount paid.

Fiscal Summary

State Effect: The bill would not materially change governmental activities or operations.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: No provision of law specifically regulates the requirement of flood insurance in mortgage contracts.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Office of the Attorney General (Consumer Protection Division), Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2000
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