
By: **Delegates Krysiak, McIntosh, and Rosenberg**
Introduced and read first time: February 9, 2001
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Payment of Property Insurance and Taxes by Lender**

3 FOR the purpose of requiring a lender to establish an escrow account for certain
4 monthly payments of real property tax and homeowners insurance under
5 certain circumstances; and generally relating to escrow accounts for real
6 property taxes and homeowners insurance.

7 BY adding to
8 Article - Real Property
9 Section 7-107.1
10 Annotated Code of Maryland
11 (1996 Replacement Volume and 2000 Supplement)

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

14 **Article - Real Property**

15 7-107.1.

16 A LENDER SHALL ESTABLISH AN ESCROW ACCOUNT FOR PRORATED MONTHLY
17 PAYMENTS OF REAL PROPERTY TAX AND HOMEOWNERS INSURANCE IF:

18 (1) THE LOAN IS SECURED BY A MORTGAGE OR DEED OF TRUST ON THE
19 BORROWER'S PRINCIPAL RESIDENCE; AND

20 (2) THE BORROWER IS REQUIRED TO MAINTAIN MORTGAGE INSURANCE.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2001.