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

A BILL ENTITLED

1 AN ACT concerning

2 **Mortgage Lending - Single Premium Financed Credit Insurance -**
3 **Prohibited**

4 FOR the purpose of prohibiting certain lenders and credit grantors from financing
5 certain single premium credit insurance coverages as a part of a mortgage loan;
6 providing for certain penalties; and generally relating to mortgage lending and
7 single-premium financed credit insurance.

8 BY adding to
9 Article - Commercial Law
10 Section 12-127, 12-909.2, and 12-1008.1
11 Annotated Code of Maryland
12 (2000 Replacement Volume and 2000 Supplement)

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

15 **Article - Commercial Law**

16 12-127.

17 (A) A LENDER MAY NOT FINANCE, DIRECTLY OR INDIRECTLY, AS PART OF A
18 MORTGAGE LOAN, ANY SINGLE PREMIUM INSURANCE COVERAGES, INCLUDING:

- 19 (1) CREDIT LIFE;
- 20 (2) CREDIT ACCIDENT AND HEALTH;
- 21 (3) CREDIT DISABILITY;
- 22 (4) INVOLUNTARY UNEMPLOYMENT BENEFIT; OR
- 23 (5) ANY OTHER LIFE OR HEALTH INSURANCE.

1 (B) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR
2 AND ON CONVICTION IS SUBJECT TO A FINE OF NOT EXCEEDING \$1,000 OR
3 IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

4 12-909.2.

5 A CREDIT GRANTOR MAY NOT FINANCE, DIRECTLY OR INDIRECTLY, AS PART OF
6 A MORTGAGE LOAN, ANY SINGLE PREMIUM INSURANCE COVERAGES, INCLUDING:

7 (1) CREDIT LIFE;

8 (2) CREDIT ACCIDENT AND HEALTH;

9 (3) CREDIT DISABILITY;

10 (4) INVOLUNTARY UNEMPLOYMENT BENEFIT; OR

11 (5) ANY OTHER LIFE OR HEALTH INSURANCE.

12 12-1008.1.

13 A CREDIT GRANTOR MAY NOT FINANCE, DIRECTLY OR INDIRECTLY, AS PART OF
14 A MORTGAGE LOAN, ANY SINGLE PREMIUM INSURANCE COVERAGES, INCLUDING:

15 (1) CREDIT LIFE;

16 (2) CREDIT ACCIDENT AND HEALTH;

17 (3) CREDIT DISABILITY;

18 (4) INVOLUNTARY UNEMPLOYMENT BENEFIT; OR

19 (5) ANY OTHER LIFE OR HEALTH INSURANCE.

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