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By: **Delegate Minnick**

Introduced and read first time: February 25, 2004

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Mortgages and Deeds of Trust - Flood Insurance**

3 FOR the purpose of requiring a lender, in evaluating the amount of flood insurance  
4 coverage that a borrower is required to purchase, to take into account a separate  
5 valuation of the improved real property excluding the value of the land;  
6 providing for the application of this Act; and generally relating to flood  
7 insurance in consumer loan transactions.

8 BY adding to  
9 Article - Real Property  
10 Section 10-704  
11 Annotated Code of Maryland  
12 (2003 Replacement Volume and 2003 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 10-704.

17 (A) THIS SECTION APPLIES TO A LOAN TRANSACTION IN WHICH THE LOAN IS  
18 SECURED BY A MORTGAGE OR DEED OF TRUST ON REAL PROPERTY.

19 (B) IN EVALUATING THE AMOUNT OF FLOOD INSURANCE COVERAGE THAT A  
20 BORROWER IS REQUIRED TO PURCHASE, A LENDER SHALL TAKE INTO ACCOUNT A  
21 SEPARATE VALUATION OF THE IMPROVED REAL PROPERTY EXCLUDING THE VALUE  
22 OF THE LAND.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2004.