

HOUSE BILL 1470

D3

6lr2799

By: **Delegates Angel, Atterbeary, Carter, Morales, and Sydnor**

Introduced and read first time: February 12, 2016

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Transfer of Structured Settlement Payment Rights – Purchase of Residence**

3 FOR the purpose of authorizing a transfer of structured settlement payment rights if
4 authorized in an order of court based on a finding that the purpose of the transfer is
5 to purchase a residential dwelling unit in the State to be occupied by the payee as
6 the payee's principal residence and the transferee is a lending institution that has
7 made a commitment to make a loan to the payee secured by a first mortgage or deed
8 of trust on the dwelling unit; and generally relating to transfers of structured
9 settlement payment rights.

10 BY repealing and reenacting, with amendments,
11 Article – Courts and Judicial Proceedings
12 Section 5–1102
13 Annotated Code of Maryland
14 (2013 Replacement Volume and 2015 Supplement)

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

17 **Article – Courts and Judicial Proceedings**

18 5–1102.

19 (a) A direct or indirect transfer of structured settlement payment rights to a
20 transferee is effective as provided in this subtitle.

21 (b) A structured settlement obligor or annuity issuer may not make any payment
22 directly or indirectly to a transferee of structured settlement payment rights unless the
23 transfer is authorized in an order of a court based on a finding that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) **(I)** The transfer is necessary, reasonable, or appropriate;

2 ~~[(2)]~~ **(II)** The transfer is not expected to subject the payee, the payee's
3 dependents, or both, to undue or unreasonable financial hardship in the future;

4 ~~[(3)]~~ **(III)** The payee received independent professional advice regarding
5 the legal, tax, and financial implications of the transfer; and

6 ~~[(4)]~~ **(IV)** The transferee disclosed to the payee the discounted present
7 value; **OR**

8 **(2) (I) THE PURPOSE OF THE TRANSFER IS TO PURCHASE A**
9 **RESIDENTIAL DWELLING UNIT IN THE STATE TO BE OCCUPIED BY THE PAYEE AS THE**
10 **PAYEE'S PRINCIPAL RESIDENCE; AND**

11 **(II) THE TRANSFEREE IS A LENDING INSTITUTION THAT HAS**
12 **MADE A COMMITMENT TO MAKE A LOAN TO THE PAYEE SECURED BY A FIRST**
13 **MORTGAGE OR DEED OF TRUST ON THE DWELLING UNIT.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2016.