

Article - Commercial Law

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§12–1206.

(a) (1) Except as provided in paragraph (2) of this subsection, a lender or an arranger of financing may not require a borrower to purchase an annuity, a long-term care policy, or other financial or insurance product as a condition to obtaining a reverse mortgage loan.

(2) A lender or an arranger of financing may require a borrower to purchase title insurance, hazard, flood, or other peril insurance, and any other financial or insurance product that is required for reverse mortgage loans insured under 12 U.S.C. § 1715z–20.

(b) A lender or an arranger of financing may not refer a borrower to any person for the purchase of an annuity or any other financial or insurance product before the later of:

(1) The closing of the reverse mortgage loan; or

(2) The expiration of the borrower's right to rescind the reverse mortgage loan agreement.

(c) This section does not prohibit a lender or an arranger of financing from offering to a borrower, or referring a borrower to a person for the purchase of:

(1) Title insurance;

(2) Hazard, flood, or other peril insurance; or

(3) Other products that are customary under a reverse mortgage loan.

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