

This bill requires a banking institution or a savings and loan association that holds a first mortgage on residential property, where a private mortgage insurance corporation partially insures the mortgage, to eliminate all charges to the mortgagor for mortgage insurance premiums when the mortgage is reduced to the level at which the federal Homeowners Protection Act of 1998 requires termination of the private mortgage insurance.

House Bill 427, which was passed by the General Assembly and signed by me on May 27, 1999, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 222.

Sincerely,
Parris N. Glendening
Governor

Senate Bill 222

AN ACT concerning

Mortgage Lending - Private Mortgage Insurance

FOR the purpose of ~~altering~~ repealing certain provisions of State law *that require certain lenders to furnish to borrowers a certain statement* relating to private mortgage insurance ~~to conform to the provisions of the federal Homeowners Protection Act of 1998~~; altering certain provisions of State law relating to private mortgage insurance to conform to the provisions of the federal Homeowners Protection Act of 1998; providing for the effective date of this Act; and generally relating to private mortgage insurance.

BY repealing ~~and reenacting, with amendments,~~

Article - Commercial Law

Section 12-106(d)

Annotated Code of Maryland

(1990 Replacement Volume and 1998 Supplement)

BY repealing and reenacting, with amendments, ~~and reenacting, with amendments,~~

Article - Financial Institutions

Section 5-508 and 9-903

Annotated Code of Maryland

(1998 Replacement Volume and 1998 Supplement)

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

Article - Commercial Law

12-106.

[(d) (1) At the time of application for a loan under this title secured by residential real property, the lender shall furnish to the borrower a clear and