

and generally relating to loans secured by residential real property.

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section 12-119 *and 12-120*

Annotated Code of Maryland

(1983 Replacement Volume and 1989 Supplement)

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~~Article – Commercial Law~~

~~Section 12-120~~

~~Annotated Code of Maryland~~

~~(1983 Replacement Volume and 1989 Supplement)~~

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

**Article – Commercial Law**

12-119.

(a) This section applies to any application for a loan, OTHER THAN A COMMERCIAL LOAN, to be secured by a first mortgage or first deed of trust on a borrower's primary residence.

(b) [Within 3 days after the application for a loan described in subsection (a) of this section, or earlier upon request, any] ANY lender that imposes fees on borrowers for settlement services, or document review services, performed by a lender-designated attorney, OR WHO CONDITIONS SETTLEMENT ON THE EMPLOYMENT OF A PARTICULAR ATTORNEY OR TITLE INSURANCE COMPANY UNDER § 12-120(C) OF THIS SUBTITLE, shall provide a prospective borrower with a written notice stating:

(1) The lender's requirements concerning selection of an attorney, TITLE INSURANCE COMPANY, or other person to perform settlement services relating to the purchase of the real property;

(2) THE BORROWER'S ABILITY TO CHOOSE AN ATTORNEY OR TITLE INSURANCE COMPANY UNDER § 12-120(C) OF THIS SUBTITLE; and

[(2)] (3) A good faith estimate of the fee or fees to be charged to the borrower.

(c) If notice is required by this section[, a]:

(1) THE NOTICE SHALL BE PROVIDED AT THE TIME OF OR WITHIN 3 DAYS AFTER THE APPLICATION FOR A LOAN, OR EARLIER UPON REQUEST; AND